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For Pentagon, Thwarting New Rivals Is No Longer Primary Aim

By Barton Gellman Washington Post Service WASHINGTON — The Defense Department in its first broad strategic planning document...

Baker Says Serbia Faces Threat of UN Sanctions

U.S. Might Consider Role in Joint Force to End Bosnia 'Nightmare'

By Don Oberdorfer Washington Post Service

LJUBLJANA — Spearheading a swiftly growing international demand for a halt to the violence in Yugoslavia...

Thai Leader Quits But Sets Amnesty Opposition Pledges to Fight Blanket Pardon for Killings

By William Branigan Washington Post Service BANGKOK — Suchinda Kraprayoon resigned Sunday as Thailand's prime minister to take responsibility for bloody repression of democracy protests...



Tom Sneva Hits the Wall in Indy 500, Al Unser Jr. Wins

Tom Sneva suffered chest and leg injuries when his car hit a wall at the Indianapolis 500 on Sunday. Al Unser Jr. took the lead from Michael Andretti with 11 laps left and won by less than a car length...

It was the bloodiest response to demonstrations in the capital since a student uprising in 1973. General Suchinda, who became the focus of the pro-democracy and anti-military protests...

In Ashes of Soviet Empire, Ethnic Flames Rise

By Serge Schmemmann New York Times Service MOSCOW — The roll call of warring nationalities invokes some forgotten primer on the warring tribes of the Dark Ages...

U.S. Weighs Limits On Nuclear Testing

By R. Jeffrey Smith Washington Post Service WASHINGTON — Under growing pressure from Congress, allied nations and former U.S. adversaries, the Bush administration has begun to give serious consideration to proposals to limit U.S. nuclear weapons testing...



ANGER IN ISRAEL — An Israeli beating a Palestinian on Sunday in Bat Yam, after another Palestinian killed a teenage girl there. Four other persons died in Arab-Israeli violence. Page 7.

A Big-Party Setback in Berlin

Frustrated, a Third of Voters Back Extremists

By Stephen Kinzer New York Times Service BERLIN — Voters in Berlin on Sunday reprimanded Germany's two major parties by giving one-third of their votes to insurgent parties of the right and left.

Conservative Wins Austrian Vote VIENNA (AP) — Thomas Klestil, candidate of the conservative People's Party, was elected Sunday to succeed Kurt Waldheim as president of Austria.

East Germans' Once-Red Rite of Passage Endures By Marc Fisher Washington Post Service BERLIN — They stand in a row on stage at Eastern Berlin's Zeiss Planetarium, their mothers and fathers seated before them...

what kind of message does it aim to transmit to each new adult? 'It's a beautiful experience, a tradition,' said Jana Wilgusch, 14, who stood with her 13-year-old sister, Sonja...

Various small advertisements including 'PEOPLE', 'HOLIDAY REVIEWS', 'AFRICA', 'MIDDLE EAST', 'FAR EAST', 'AUSTRALIA', and 'Kiosk'.

Norway's 'Democratic Debate' on Joining the EC

Now that Sweden and Finland have applied to join the European Community, Norway is fiercely debating whether to follow suit. The Norwegian prime minister, Gro Harlem Brundtland, discussed the debate with *Reginald Dale*, economic and financial editor of the *International Herald Tribune*, in Oslo.

Q. With Sweden and Finland seeking EC membership, would Norway have to join too?

A. That's for the Norwegian people to decide in a referendum, so there's no absolute answer to that question. The people could say no.

But we're discussing this in a broad democratic debate about the future of Norway in a new Europe, and we in the government and the Labor Party are saying that it would be logical to follow the other Nordic countries.

If the Labor Party votes yes at its congress in November, the government will apply for EC membership that same month.

Q. Are Norwegians now more in favor of the EC than when they rejected membership in 1972?

A. The opinion polls are divided into three — one third yes, one third no and one third undecided. So the picture is not very clear. But many of us are now arguing that it's best for Norway to participate in EC decision-making.

Q. Why is there so much opposition?

A. The historical background is extremely important. Norway's fight for independence in the last century was very strong, ending with separation from Sweden in 1905. It was only then that Norway became fully independent.

Then we were attacked by the Germans in 1940 and a war was fought on Norwegian territory. So there are historical reasons why Norwegians are very strongly attached to their independence.

Q. If you apply to the EC in November, can you catch up with Sweden, which wants to start entry negotiations early next year?

A. We can be ready very quickly after deciding to apply. It should not be difficult for the Nordic countries to negotiate in parallel.

Q. If Norway, Sweden and Finland all joined, how would it change the EC?

A. One thing that people don't know is that the EC's territory would be enlarged by 50 percent, but there would only be a 6 percent increase in its population.

The entry of the Nordic countries, with their different cultures and natural resources, would be a new experience for the EC.

We also have strong democratic values and welfare state traditions.

Q. Should the East European countries join too?

A. They wish to join and of course they will join, and that means moving from a West European to a more all-European framework. Historically, Czechoslovakia, Poland and Hungary have been part of the whole trade and cultural background of Europe. So gradually we will move to total Europe, with everything that is European inside it.

Q. What about Russia?

A. I don't have an answer to that. It will be settled a long time in the future. But I'm talking about those countries that have obviously been part of European culture and history, and that only partly applies to Russia.

Q. Could Norway accept the move toward common foreign and defense policies outlined in the EC's Maastricht treaty?

A. We would certainly base ourselves on the principles of the Maastricht treaty, but even the present 12 members are not agreed on what they mean in practice. And there are limitations to the Maastricht agreements.

No one foreign minister is going to be told what to say and do by a majority of the others. They have to agree to decide by majority, and there are a lot of veto possibilities. Norway's foreign policy could fit into that kind of framework.

As for defense, we are a NATO country and we are seeking associate member status of the Western European Union, so I don't think that will create any big problems.

Q. Does Norway feel that there's less need for the United States to be involved in Europe with the Cold War over?

A. Norway is always careful to maintain both its Atlantic and its European connections. So we want the United States to be here, and we're always trying to avoid disparity between the Atlantic alliance and the European pillar.

We are obviously one of the countries in a bridging position because we have historically had very close ties with Britain and with the United States.

Q. Don't some Norwegians argue that one reason for joining the EC is to be less vulnerable to being pushed around by the United States?

A. There are some people on the left who are pro-European because they are anti-superpower domination.

We also believe it's easier for a big country like the U.S. to pursue trade disputes against a small country like Norway, with 4 million people, than to take up the fight with the EC.

Although we are a very free-trade-oriented country, we have been picked on by our larger trading partners in the General Agreement on Tariffs and Trade.

MONDAY Q&A

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Police guarding the site Sunday after the car-bomb assassination of Giovanni Falcone, a senior investigator of the Mafia.

Leading Mafia Opponent Slain in Sicily

By Alan Cowell
New York Times Service

ROME — One of Italy's senior anti-Mafia investigators, who had been expected to head a new agency to combat organized crime, was slain when a car bomb exploded near his sedan on a highway in Sicily, according to the police.

The victim, Giovanni Falcone, 52, had achieved the status of national hero in the fight against the mob. In 1984, he was credited with coaxing a confession from a Mafia turncoat, Tommaso Buscetta, that led to the arrest of more than 300 mobsters, including the so-called boss of bosses, Michele Greco.

After a four-year trial, Mr. Greco went free last year because of a legal technicality and was later re-arrested. While the trial was under way, Mr. Falcone escaped an assassination attempt in Sicily.

The police said that Mr. Falcone's wife and three bodyguards were also killed in the attack Saturday, which took place on the highway leading to Puma Raisi airport outside Palermo. They said explosives in a car parked along the high-

way detonated as Mr. Falcone and his police escort drove by.

Generally secretive about his movements, Mr. Falcone had been expected to head a new force bringing together Italy's several police agencies into an anti-Mafia unit that commentators likened to the Federal Bureau of Investigation.

He credited his successes in persuading mobsters to break the oath

of silence to his familiarity as a Sicilian with the island's ways.

The assassination was taken as a sign of the Mafia's self-confidence and ability to taunt the authorities at a time when its power has never been more widespread.

In a December interview with the European newspaper, Mr. Falcone acknowledged the dangers of his position, saying: "I opened an

account with the Mafia. It can only close with my death."

■ Further Lag on President

Parliament postponed its 16th attempt to pick a president on Sunday, Reuters reported from Rome. The decision came after the main political parties pleaded for more time to reach a consensus after the Falcone murder.

Kosovo Votes In Defiance Of Belgrade

By Alan Cowell
New York Times Service

PRISTINA, Yugoslavia — Ethnic Albanians thronged to schools and private homes on Sunday to vote in an election defying Serbian rule in Kosovo Province.

The ballot to elect an Albanian parliament and president for the self-proclaimed Kosovo republic was sure to burn the few remaining bridges between the Albanians and Belgrade authorities.

"This should not be ignored," said Momcilo Trajkovic, the Pristina-based president of the Committee for Kosovo of the Serbian Assembly. "It will entrench Albanians in a hard-line position. It is good that we are avoiding a confrontation today, but what will we do tomorrow?"

The only presidential candidate in the election, a writer, Ibrahim Rugova, said that his people, who had been stripped of their political autonomy by Belgrade, had no other choice.

"We decided to hold the elections as part of our effort to create legitimate organs of authority," Mr. Rugova said. "There is no political rule in Kosovo now, not even Serbian rule. There is only the police."

Mr. Waldheim, 73, was elected in a runoff in June 1986. During Mr. Waldheim's term, Chancellor Franz Vranitzky was obliged to take on much of the protocol responsibility of representing the country abroad.

■ Editorial Is Condemned

An editorial column in Austria's most widely read newspaper asserting that "relatively few" Jews died in Nazi gas chambers has been condemned by Chancellor Vranitzky and the independent Austrian Press Council. The Washington Post reported from Vienna.

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Scandal Forces Maverick Paris Minister to Quit

By Alan Riding
New York Times Service

PARIS — Seven weeks after he was named to a cabinet post in the hope of bolstering the popularity of France's Socialist government, a maverick millionaire-turned-politician has resigned amid reports that he will soon be charged with fraud in a dispute with a former business partner.

Bernard Tapie, who owns the Adidas sporting goods company as well as France's top soccer club, Olympique Marseille, said he was stepping down as urban affairs minister

to dedicate himself to proving his innocence. He said he was the victim of a "political plot."

His abrupt departure Saturday night came as a relief to the governing Socialist Party, which was eager to distance itself from his problems after having seen its popularity tumble over the past two years, in part because of its association with several financial scandals.

Political experts said it was likely that Prime Minister Pierre Berégovoy, who promised to fight corruption after he assumed his

post on April 2, asked for Mr. Tapie's resignation to shield his new government from the damaging public spectacle of a cabinet minister facing criminal charges.

Mr. Tapie, 49, has insisted that the case against him is politically inspired. It was brought by a conservative opposition lawmaker, Georges Tranchant, who was his partner in the mid-1980s.

Mr. Tranchant has charged that Mr. Tapie kept \$2.5 million for himself when their company, Nippon Audio Video System, was sold to Toshiba in 1985.

Development's Spoiled Fruits

Reforestation Project for India's Poor Wastes Millions

By Steve Coll
Washington Post Service

CHOPTA, India — High on a mountain ridge in India's Himalayan range sits a stone-hewn village where flies buzz in black swarms through smoke-filled homes. Feverish children lie languidly on dusty beds. Outside, their mused mothers bend with scythes over meager plots of wheat while their fathers gossip and smoke.

Scattered among the villagers are the dead remnants of an experiment in Third World poverty alleviation and environmental management: thousands of trees and seedlings supplied to Chopta and other deeply poor mountain villages in a \$30 million reforestation program funded by the World Bank and managed by the government of India.

Villagers step between the neatly bound saplings on their way to fields and shrinking forests, where they slash trees and strip topsoil just as they have always done.

For centuries, these villagers have survived by farming small, terraced plots of wheat and rice. In their search for firewood and arable land, they have steadily destroyed their portion of one of the world's most fragile ecological systems, the once-bountiful forests of the Himalayan chain.

In Rio de Janeiro this week, world leaders and environmental

activists are beginning to gather for a United Nations-sponsored conference known as the Earth Summit, which aims to develop strategies to protect the world's atmosphere and forests.

Some participants hope the conference will set the stage for new funding of programs similar to the one the World Bank sponsored here. Others, mainly from wealthier countries, have resisted pleas for new money.

What went wrong on this isolated Himalayan ridge, which is accessible only by foot, suggests how difficult it can be to implement lofty environmental plans in regions where so many people struggle every day to survive.

The goal of programs like the one in Chopta is to revitalize the environment and relieve poverty in industrializing, heavily forested countries such as Brazil, Indonesia, Malaysia, China and India.

In these countries, deforestation has contributed to flooding and to declines in farm productivity, and it may contribute to atmospheric pollution and global warming. India's forests are shrinking at the rate of about 300 square miles (770 square kilometers) per year, according to the World Bank, primarily because poor people in the northern mountains and the remote central forests cut trees for fuel or for profit.

As many as half of India's 850 million people are estimated to live in poverty. The 235 villagers in Chopta are among the poorest, living far from the sprawling socialist bureaucracy that is supposed to ease the plight of the down-trodden.

About 5.9 million people live in the underdeveloped mountain area where Chopta is located. A similar number live in the remote Himalayan regions of neighboring Nepal.

India and the World Bank, with their ambitious forestry and development project, had hoped to find

a model for a sustainable, ecologically sound way to relieve the suffering of the mountain villagers.

Village residents, Indian government and World Bank officials, and independent environmental activists offer many reasons for the failure of the expensive reforestation plan in Chopta.

Government officials blame the villagers, who were to plant and maintain the trees. "They don't think about the future," said S.K. Kalia, an Indian bureaucrat who for two years has been trying to plant trees on Chopta's ridge. "They don't worry about what will happen in the next 5 or 10 years when all the trees are gone."

Villagers blame the government. They say that officials did not consult them about the program, that they supplied faulty trees and tools, and that they rarely came to monitor the program.

The villagers also say that planners in New Delhi and at the World Bank seem to have ignored their basic needs. Even the best-educated in Chopta remain puzzled about why the government and the World Bank would spend so much money on something as useless as trees.

"Why pour so much money into these trees time and time again?" asked Raghunath Singh, 21, a migrant factory worker. "I want to see a hospital, roads, a company that comes so we can get jobs and stay with our families."

World Bank officials acknowledge significant problems with the project but say it also has achieved a few successes, such as the introduction of better strains of wheat and rice.

"I think the design of the project was overambitious," said Jim Alexander, a World Bank official in New Delhi. New projects sanctioned by the bank cover areas less than one-tenth as large as the Himalayan program, he said.

Conservative Wins Runoff To Succeed Waldheim

By Michael Z. Wise
Washington Post Service

VIENNA — Thomas Klestil was elected Sunday to succeed President Kurt Waldheim of Austria and swiftly announced he would pay working visits soon after taking office to countries where Mr. Waldheim has been persona non grata because of his wartime past.

Mr. Klestil, 59, a former ambassador to Washington and chief delegate to the United Nations, also said he would seek to persuade U.S. officials to remove the 1987 ban on Mr. Waldheim's entry into the United States, which was imposed after an inquiry into his service in a German Army unit involved in atrocities.

Mr. Klestil won 56.9 percent of the vote, against 43.2 percent for Rudolf Strehlitz, the Social Democratic candidate, according to official preliminary results. It was the biggest victory in a contested presidential election since Austria regained its independence in 1955.

Mr. Klestil was the candidate of the conservative People's Party, which nominated Mr. Waldheim six years ago. But analysts said Mr. Klestil successfully portrayed himself as an independent.

The scale of his victory represented a sharp defeat for the Social Democrats, whose candidate entered a four-way race as the clear favorite. In the first round on April 26, Mr. Strehlitz, a former industry and transport minister, came in slightly ahead of Mr. Klestil.

Mr. Klestil told Austrian television that he planned to pay working visits to Austria's neighboring countries and the important capitals of the European Community after he is sworn in on July 8.

There was relatively little difference in the major positions of the two runoff candidates. Mr. Klestil was seen as less critical of the possibility that the rightist Freedom Party leader, Jörg Haider, could become government chief in the future. Mr. Haider indirectly endorsed Mr. Klestil's candidacy.

In an apparent last-minute bid for the votes of elderly Freedom Party supporters, Mr. Klestil said at his closing campaign rally: "We must finally stop demonizing the wartime generation and acting as if they were all criminals."

Mr. Waldheim, 73, was elected in a runoff in June 1986. During Mr. Waldheim's term, Chancellor Franz Vranitzky was obliged to take on much of the protocol responsibility of representing the country abroad.

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WORLD BRIEFS

Kuwait Sentences 2 Iraqis to Death

KUWAIT (Reuters) — A Kuwaiti court has sentenced two Iraqis to death for informing on and torturing Kuwaitis who were resisting Iraq's occupation of the emirate.

WORLD BRIEFS

sentences 2 Iraqis to Death... A Kuwaiti court has sentenced two Iraqis to death for murdering Kuwaitis who were captured during the Gulf War.

Policy on Haitians... President George Bush's administration has begun returning Haitian refugees to a large camp in Guantanamo Bay.

Danish 'No' on Maastricht... Opinion polls showed Danes voted against the Maastricht treaty in a referendum.

Expels an Indian Diplomat... Pakistan ordered a senior Indian diplomat to leave the country on Sunday.

ti-Mob Filmmaker Stabbed... A popular filmmaker was stabbed by three assailants in a crowded market.

RAVEL UPDATE... A transportation system at Taipei's international airport is set to begin operations.

Widow... A woman was killed in a fire in a residential building in New York.

Asia... A major earthquake struck the island of Luzon in the Philippines.

Latin America... A major election was held in Mexico.

North America... A major event took place in Washington.

Rewriting the Political Script

Texan's Unorthodox Campaign Intrigues Hollywood

By Alessandra Stanley... LOS ANGELES — The movie director John Miljus was on the phone, making a pitch to Clint Eastwood.

Presidency For Perot? Kemp Says It's Possible

Compiled by Our Staff From Dispatches... WASHINGTON — The housing and urban development secretary, Jack F. Kemp, said Sunday that Ross Perot's rise in the U.S. presidential race was a "phenomenal manifestation of frustration."

COMMON MISPERCEPTION #3 "Your faxes never seem to find you overseas."

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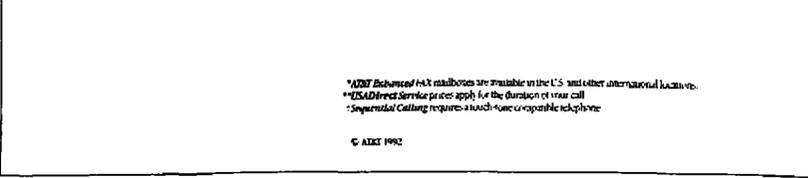
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With Signatures, Chapter Closes On 3 Republics' Brief Nuclear Era

By Don Oberdorfer... LISBON — Ukraine, Kazakhstan and Belarus, three states of the former Soviet Union that have nuclear arms on their territory, have formally agreed with the United States and Russia to give up those weapons by the end of the decade.

They thus laid the groundwork for ratification of the landmark START treaty and for permitting negotiations to go ahead between the United States and Russia for deeper cutbacks in nuclear arms.

The ceremony Saturday was a hard-won milestone in a mostly invisible yet intense diplomatic struggle to maintain control over the world's largest array of long-range nuclear weapons as the Soviet Union splintered into many parts.

The agreement reflects "contemporary political reality and the fact that new independent states have appeared on the international stage," said Foreign Minister Andrei Kozyrev of Russia in a written statement.

The Russian government of President Boris N. Yeltsin, who succeeded Mr. Gorbachev in power in Moscow, was able to persuade all other former Soviet states to permit the tactical, or short-range, nuclear weapons on their soil to be transferred to Russia for eventual dismantling or destruction.

The United States sought and won agreement first from Ukraine and then from Kazakhstan that they would eliminate nuclear weap-

ons on their soil by the end of the decade, well beyond the requirements of START, and that they would formally agree "in the shortest time possible" to become non-nuclear nations under terms of the 1968 Nuclear Nonproliferation Treaty.

Had they asserted and obtained control of the weapons on their territory, Ukraine, with 1,662 long-range nuclear warheads, and Kazakhstan, with 1,410, would have become the world's third and fourth most powerful nuclear-armed nations.

They'll be very big names," said Bob Booker, a variety show producer who volunteered to help create Mr. Perot's gala.

Mr. Clinton said he had no intention of stepping down and insisted that he had not neglected the state.

"Watching the sunset over the harbour I felt like the great tycoon... from this elevated position I could clearly see my fortunes rising." Hyatt Hong Kong advertisement.

Small text at the bottom left corner.

Herald Tribune

Published With The New York Times and The Washington Post

Canada Sets an Example

Contrary to all the denials and lamentations, it is possible to cut a budget deficit. Canada has proved it. In Washington, politicians hide under their desks and murmur that it is not realistic to expect them to do such an unpopular and unpleasant thing. But the country most similar to America is succeeding where Americans have only dreamed.

Canada's prime minister, Brian Mulroney, was in Washington for a couple of days last week to talk about other things — trade across that long border, and aid for the Soviets. But his visit was a reminder that he has repeatedly shown real courage in dealing with a subject on which, in the United States, there has been nothing but a lack of it. Eight years ago, when Mr. Mulroney took office, the budget was even more wildly out of control in Canada than in the United States. Now he has cut his deficit to less than half of the 1984 level. Under President George Bush, in contrast, the American deficit has risen higher than any since World War II.

Both Mr. Mulroney and Mr. Bush are conservatives, and both resist raising taxes. Mr. Mulroney has attacked his deficit mostly by curbing spending. Canadians have complained loudly and bitterly, but they respected him in 1984. He has kept the squeeze on, although he will have to turn again next

year. There have been real costs. Unemployment is much higher than in the United States. But inflation is only half as high, and with the end of the recession the chances for a strong recovery are better in Canada than in the United States. Mr. Mulroney makes jokes about his low popularity ratings. According to the opinion polls, only 20 percent of Canadians like him. A politician's popularity is capital, and he has spent his capital well on economic benefits that will come to Canada for many years regardless of who is prime minister. Mr. Bush tried to hoard his capital, and now, perhaps for that reason, it seems to be evaporating.

Nearly everybody high in American politics understands the damage that the enormous federal deficit is inflicting on the economy. Why don't they do anything about it? It is not politically possible, they explain. But to the south, the Mexicans have done it. To the north, the Canadians have done it. In between them sits the United States, with the most powerful economy in the world, the highest standard of living and a government run by people who complain that the country does not have enough money to do anything about the deficit. It makes you wonder about the prevailing definition of possibility.

— THE WASHINGTON POST.

Yes, a Peace Dividend

Weeks after the fires of Los Angeles, the fire wall remains in place. The fire wall is the barrier imposed by the Budget Enforcement Act of 1990 that prevents any money saved from a bloated defense budget from being spent on urgent domestic needs. That is one reason Congress seems to have so little incentive to cut defense further. Earlier this month the Senate voted to sustain all but \$1 billion of the Pentagon's proposed \$281 billion budget for fiscal 1993.

To his credit, however, Les Aspin, the Democrat who chairs the House Armed Services Committee, is prepared to breach the fire wall. He would reduce next year's Pentagon budget to \$274 billion and spend the resulting savings of \$7 billion on urban ills. His cuts have bipartisan support in the Armed Services Committee and deserve similar support on the House floor.

Mr. Aspin gets most of his savings from two defense accounts: operations and main-

tenance, and "star wars." The cuts he proposes in operations and maintenance will not harm research and training. He would spend \$4.3 billion on anti-missile defenses. That is a little more than last year and a lot more than necessary. But he would also eliminate \$775 million for Brilliant Pebbles and other space-based defenses and bring star wars down to earth where it belongs. He would waive the 1996 target date for initial deployment and comply fully with the Anti-Ballistic Missile Treaty by confining ground-based defenses to one site.

Mr. Aspin could find more cuts, for example by canceling the four B-2 bombers still to be built at an exorbitant \$2.3 billion each. But he has the fundamentals right — heat back the blast in defense and knock down the wall that keeps the savings from being spent on domestic needs. That could get his party and the country back on track.

— THE NEW YORK TIMES.

The Thais' Next Task

Who will soon forget the remarkable picture of the military ruler and the opposition leader together on their knees before the king of Thailand? Summoning up the impartiality and sense of national essence that he has cultivated for 42 years on an otherwise powerless throne, King Bhumibol Adulyadej was able at least to ease the immediate confrontation between Suchinda Kraprayoon, the general who has since resigned as prime minister, and Chuanog Suanuang, the former general who leads the opposition. At once Thailand's boiling crisis was moved from the streets to the political bargaining table.

The king has bought his country some time and calm. But to move beyond the appearance of reconciliation is not going to be easy. The parliament meets this week to take up the opposition's demands for the sort of constitutional change that will put substance into Thailand's claim to be a democracy. One proposal is to reserve the premiership to elected members; although he was not a member, General Suchinda, having ousted the old parliament last year,

arrogantly had himself named prime minister by the new parliament last month. A second proposal is to trim the power of the military-appointed Senate. These constitutional fixes can reduce the political power of a military establishment which, as the intense, society-wide demonstrations against it showed, has abused its power and long overstayed its political time.

But that is not all that is required to restore interior balance in Thailand. The whole swollen role of the military in Thai society and the economy has become inconsistent with the imperatives of growth, development and maturity. The army deeply shocked Thai citizens by its readiness to shoot down citizens in the street. The demonstrators were not entirely unprovocative, but, as the U.S. State Department said, the force that authorities used against them was plainly excessive. The army has a place in Thailand — as the servant of the elected political leadership. Reducing it to this role is the large task before the country now.

— THE WASHINGTON POST.

Greenhouse Tactics

The Bush administration has drawn sharp criticism for weakening the global warming treaty that will be signed at the United Nations environmental summit in Brazil next month. The treaty will set no firm targets and timetables for reducing the emission of greenhouse gases that could alter world climate. It will simply require countries to adopt greenhouse-reduction programs. But the administration's opposition to mandatory limits was on solid ground — the need is not yet proved and the cost could be high. The administration's real failure is more fundamental. Even by its own "no regrets" policy, it is doing far too little to curb emissions.

Global warming remains perplexing, despite years of study, there are enormous uncertainties. All experts agree that certain gases put into the atmosphere by human activities — notably carbon dioxide, methane and nitrous oxide — trap heat and cause average temperatures to rise. But no one knows how much or how fast temperatures will rise and whether the increase will make much difference. The most authoritative estimate, by scientists assembled under United Nations auspices, projects that average global temperatures will rise about 2.5 centigrade degrees (4.5 Fahrenheit) by the year 2100.

That would probably not mean record-setting temperatures but rather more hot days or fewer frosty nights. Such a change could cause serious damage. Sea level might rise about 60 centimeters (2 feet), due to thermal expansion of the water and melting of ice, threatening low-lying areas. Hurricanes might become more forceful. Weather changes might disrupt agriculture. Cataclysmic change, although unlikely, is at least conceivable, perhaps a sudden shift of ocean

currents that now warm or cool some regions, or breakup of the huge West Antarctic ice sheet, boosting sea levels by 4 meters.

Still, the evidence remains murky. Average world temperatures rose by about half a centigrade degree in the past century, but whether greenhouse gases or other factors were responsible is not known. Disconcertingly, temperatures flattened or fell from 1940 to 1970 just as greenhouse emissions were soaring, perhaps because other pollutants cooled the earth by blocking sunlight. This year, after a string of hot years, temperatures are expected to fall again because of particles from a volcanic eruption. It could take a decade or two for scientists to square the conflicting signals.

Despite all these uncertainties, most authorities agree that the risk is great enough to justify preventive steps. The Bush administration's approach, reasonable in principle, is to adopt multipurpose measures that enhance the environment or energy security while also reducing greenhouse emissions. That way there will be "no regrets" even if global warming proves a false alarm.

But in practice, the administration is doing far less than it should. Its policies will reduce methane and nitrous oxide emissions below 1990 levels and will slow the growth in emissions of carbon dioxide, the main greenhouse gas, leaving levels in the year 2000 about 5 to 8 percent above 1990 levels. But then, carbon dioxide emissions will rise sharply. This need not happen as fast, or perhaps at all, if the administration pursues its policy more vigorously. Its failure to propose a "no regrets" carbon tax, the strongest weapon available, shows more commitment to rhetoric than to results.

— THE NEW YORK TIMES.

The Democracies Can't Let Serbia Do It

By William Pfaff

BOSTON — American opinion is moving hesitantly toward military intervention in the former Yugoslavia. Elite opinion: the matter only now is arriving on the popular and political agendas — but neither was Kuwait or the agenda two years ago this spring. The parallel between the Gulf and Bosnia-Herzegovina may catch the attention of President George Bush one of these pre-election days.

The official American position has changed. Secretary of State James Baker said on Friday in London that if political, diplomatic and economic sanctions against Serbia fail to halt the war, military measures may be envisaged. Previously the State Department had held that military intervention was not under consideration.

The issue is not only to check the killing in Bosnia-Herzegovina but to validate the principles

An air intervention from West European bases and carrier forces in the Mediterranean could deprive Serbian forces of the decisive advantage they have had.

ple that the international community attempted to establish during the Gulf crisis and its aftermath. That principle holds that military aggression and the murderous repression of ethnic minorities inside a state are matters of international concern and may be challenged.

Serbia, and to a lesser extent Croatia, now are defying that principle by what they are doing in Bosnia-Herzegovina. Serbia in particular has been practicing indirect as well as direct military aggression to extend the territory it controls, subsequently "cleansing" these conquered regions of their non-Serb populations through forced expulsions, terrorism or simple murder. If this course is not reversed, Serbia and Croatia as well, will have succeeded where Hitler ultimately failed, in triumphantly carrying off wars of racial and territorial aggression in the face of world disapproval.

A State Department official, intimately acquainted with the situation, who chose to re-

main unidentified, said last Tuesday that this "dirty war... in which people are murdered, tortured, not because of what they do but because they belong to one ethnic group or another [is mostly] being perpetuated against the Muslims, and the perpetrators tend to be more often than not Serbs." Others are involved, but "it's clear that the Serbs are most involved and the Muslims are most victimized."

The Islamic dimension is important internationally. The Islamic states are saying that the principle of international intervention might function only when a Muslim state is the aggressor. At the United Nations they are pressing for action to defend the Muslims of Bosnia-Herzegovina but are opposed by China, a member of the Security Council, and by other Third World dictatorships which fear that the principle of international intervention might one day be turned against them.

The prospect of international intervention against Serbia, the state whose ambitions have provoked the Yugoslav catastrophe, would benefit on the one hand from the fact that it need not — indeed, should not — take the form of military action on the ground. Ground intervention in an ethnic and essentially civil struggle would almost certainly worsen it. Recognition of this fact is why the West Europeans have been so reluctant to consider an intervention. Britain in particular has warned against attempting to police a new and even more vicious Ulster.

However, an air intervention from West European bases and carrier forces in the Mediterranean could deprive the Serbian forces of the decisive advantage they have thus far enjoyed, the heavy artillery and armored forces of the Yugoslav Federal Army. The army's bombardment even now is doing to Sarajevo what it earlier did to Vukovar and Dubrovnik. That bombardment could be silenced in hours, the air force grounded, and Serbia's civilian as well as military airfields cratered and put out of use.

The effect of that on Serbian popular opinion — already divided on this war — would be profound. The intervention would need to be accompanied by greatly increased Western radio broadcasting to the Serbian population,

which presently is in the grip of a repressive and fantastical propaganda regime asserting that the Serbian people are besieged by an alliance of renegade Nazi Germany, Fascist Italy, Imperialist America, a Reactionary Vatican — and Fundamentalist Islam.

The United Nations currently is blocked from acting. The European Community is also blocked because Greece supports Serbia (out of an absurd fear that an independent ex-Yugoslav Macedonia — with a population of 2 million — could threaten Greece, which has a population of 10 million and the largest armed forces in Europe, proportional to population, and which enjoys a formal security guarantee from 15 fellow NATO members).

It may thus be necessary that action be taken by an informal coalition of democracies. So long as they act in accordance with the expressed majority opinion of the Security Council, the European Community and the Conference on Security and Cooperation in Europe, the formalities are unimportant; moreover, the president of the coalition could prove a useful one. The essential point is that the intervention express a consensus view of the democratic community.

A limited air intervention, plus further measures of economic and political reprisal against Serbia, and against Croatia if its intervention in Bosnia continues, would not itself halt aggression but would make the combat a more equal one on the ground, and would, as well, greatly change the political context of the struggle.

As the international community has recognized the independence of Bosnia-Herzegovina and the other new ex-Yugoslav republics, it is justified in asking and otherwise strengthening those who resist invasion. It scarcely can do less if the words spoken about Kuwait meant anything. It must do at least this much for the sake of nonaggression in the future, and ethnic coexistence, elsewhere in Eastern Europe and in the ex-Soviet Union.

People in both the United States and Western Europe are coming to recognize that this is an intervention in Bosnia-Herzegovina would follow the precedents established in the Gulf and subsequently in last year's Western intervention to save the Kurds. But if there is going to be action, it will have to be soon.

International Herald Tribune.
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A President Keeps His Head Down

By Anthony Lewis

NEW YORK — Something has happened to George Bush. In recent weeks and months he has ducked and vacillated on issues, seemingly unwilling to take decisive positions, unable to lead, if it will be ever immobilized.

His supporters have noticed. They are more and more openly expressing concern, discontent, bewilderment at his performance. They are starting to look elsewhere for leadership.

The most striking example of his indecisiveness, and very likely the most damaging, to President Bush, has been his response to the jury verdict and riots in Los Angeles. After the verdict, he urged people to await a noncontentious "appeal process." Since then he has alternated between calls for law and order and sympathetic talk about urban needs.

The country urgently wanted leadership after Los Angeles: a sense of direction, a sense of hope. Mr. Bush disappointed, heard conflicting ideas from his advisers, came up with a tired little package of old proposals. There has been no sense of the White House as a beacon in hard times.

But the phenomenon is not limited to domestic issues. A president

The country will not wait for action until November.

who made his mark in foreign affairs and used to revel in taking strong stands abroad has become weak and indecisive there, too.

Look at Yugoslavia. The Gulf War is only a little more than a year past. Could any of us have imagined that George Bush would be whittling away at the peace process, hesitating to respond to a Serbian aggression by a Serbian Congress? That he and his foreign policy aides would stand mute while the Serbs mimicked Nazi tactics by selling non-Serbs out of their homes in Bosnia-Herzegovina in the cause of "ethnic purification"?

The question of help to post-Communist Russia is another puzzling example. Mr. Bush came forward with no proposals to help save the budding Russian democracy from economic disaster until he was shamed into doing something by former President Richard Nixon.

Then there was his trip to Japan. He first canceled it so he could look more like a domestic president. Then in January he went, and the proclaimed supporter of free trade used the trip to act as a Willy Loman for U.S. auto manufacturers.

The pattern reached a comic height last week in the incident of Dan Quayle and Murphy Brown. The vice president attacked the television character for "mocking the importance of fathers by bearing a child and calling it 'just another life-style choice.'" This time it was Bush and the White House into a trap. "I don't know what it's about," Mr. Bush said. "Where's Martin on this?"

Martin Fitzwater, his spokesman, first contended "the glorification of the life of an unwed mother." A few minutes later he corrected himself, praising Murphy Brown's "pro-life values." The president himself came out strongly for "families with a mother and father."

What is going on? The one thing that George Bush has not been doing most of his life is reluctant to act or decide. He was the youngest navy pilot in World War II, a gung-ho character. As president he ordered the invasion of Panama — an adventure that did not help Panama's problems of drugs and poverty, but it stirred out his best and was bold. And then there was the war on Iraq.

In personal style, too, Mr. Bush is the opposite of idle. He is Mr. Kmetz; constantly in motion, a man whose idea of a restful seaside holiday is to zoom around in a noisy speedboat.

How, then, can we explain the immobilism that has crept over George Bush the president? I think the reason is politics: politics of a particular kind. In this election year Mr. Bush is trying to avoid doing things that may upset people. He is trying to finesse hard issues. Thus he tries to mollify the doctors and scientists who want to use fetal tissue, as it is used in every other country, in curing human diseases, without calling the anti-abortionists. He proposes a fetal tissue bank that will be forbidden to benefit from voluntary abortions — and hence will be useless.

The whole strategy, if that is what it is, is useless. The country will not wait for action until November. The world will not wait. And the voters will not wait.

The New York Times.

The Bush Team Doesn't Learn From Its Mistakes

By Jim Hoagland

WASHINGTON — Deflect, obfuscate and attack: This is the order of the day for the Bush administration as the noose tightens around the policymakers whose actions and words encouraged Saddam Hussein to think he was an indispensable ally whom the United States would not fight.

George Bush's White House and Jim Baker's State Department brush away criticism with this defense: "Hindsight." But the shameful record of the administration's prewar conduct on Iraq that emerges in congressional hearings and elsewhere shows that explanation to be a willful, dangerous distortion.

The record shows that the Bush administration overrode repeated strong objections to its pro-Saddam policy made within and outside the bureaucracy at the time. Washington consciously ignored warnings that it was courting disaster by not recognizing the special nature of the Iraq case. The Bush administration trashed the warnings when they were offered. Now it pretends that the warnings did not exist. But records show otherwise.

Take one incident, recorded in a previously undisclosed secret memorandum, that goes to the heart of the hindsight defense. It happened in the spring of 1990, when the administration was still saying that Saddam was interested in economic reconstruction, not in carrying out his threats of violence against his neighbors.

That was not the view of Reuven Merhav, then director general of the Israeli Foreign Ministry. On a visit to Washington, he asked key Baker

aides Robert Kimmitt and John H. Kelly and other officials why they supposed that Saddam was not demobilizing any troops from his million-man army two years after the end of the Iran-Iraq war.

He and other Israeli visitors in the first half of 1990 accurately described Saddam's growing belligerency. Bush-Baker knew better. Prudent U.S. policy toward potential adversaries would have been based not on intentions, which were

unknowable, but on capabilities.

For two years after the war with Iran, Saddam expanded his war-making capabilities in such plain view that it was recorded on several occasions in this column. Yet the Bush administration continued to feed him agricultural credits, secret intelligence and diplomatic support.

What emerges in the testimony last Thursday to the House Banking Committee, headed by Representative Henry B. Gonzalez, by Deputy Treasury Secretary John E. Robson

and Lawrence S. Eagleburger, Mr. Baker's deputy, is a decision to help Iraq come hell, high water or advice to the contrary from anybody.

Take the dramatically understated description that a Federal Reserve witness gave at the Gonzalez hearing of the Fed's assessment in 1989 when Mr. Robson, Mr. Eagleburger and Mr. Baker said Iraq had to be granted \$1 billion in agricultural credits in 1990:

"The growing external indebtedness of Iraq and questions about Iraq's ability and willingness to service this debt led to a growing Federal Reserve uneasiness in approving large new Commodity Credit Corporation export credit sales guarantees for that country. The Federal Reserve also noted Iraq's spotty debt servicing record with other bilateral official creditors... Finally, the Federal Reserve questioned the appropriateness of allocating one-fifth of the CCC's fiscal year 1990 budget to one country."

But Mr. Eagleburger maintains that it was "prudent" policy to extend new credits to Iraq then, a decision that contributed to the \$2 billion that taxpayers will have to cough up to make good Iraq's debts under the agricultural credit program. If that is Mr. Eagleburger's definition of "prudent," it is easy to understand why he left a business career to return to the State Department. In business, you pay for your mistakes.

That was not Saddam's Iraq was just another country having financial problems shines through Mr. Robson's wistful rejoinder to Mr. Gonzalez: "Had not the war intervened, who knows? They might still be current" in paying off debts.

The administration witnesses and their supporters on the committee sought to turn the hearing into an attack on Mr. Gonzalez for releasing classified material. Mr. Gonzalez, unimpaired, promises more investigation.

This is not simply a matter of historical record or election-year politics, as the administration argues in its obfuscation campaign. What matters is that this administration refuses to learn from its mistakes.

The headlines about the Gonzalez hearings on Iraq have had to compete with headlines about the worsening situation in the former Yugoslavia. Suddenly, the newspaper accounts say, Mr. Baker and Mr. Eagleburger have discovered that Serbian dictator Slobodan Milosevic is a ruthless man who observes no rules. They are angry at him and may even now consider committing U.S. military force and risking American lives to stop this new Hitler, the newspaper accounts say.

Sounded familiar? Surprised by Saddam, they are now surprised by Milosevic — even though the CIA accurately described in 1990 how the Yugoslav tragedy would unfold.

European Unity? Let's Be Clear About the Purpose

By Brian Beedham

LONDON — The never-ending debate on the future of Europe is once again getting submerged in technicalities. Before Europe goes under for the third time, decimal points bubbling in front of its eyes, it needs to remember the big question that lies behind all the little questions.

The big question is not whether the 12 countries of the European Community are going to ratify the Maastricht treaty. (They almost certainly will, the Danish and their June 2 referendum being the only real question mark.)

It is also not whether last week's changes in the Community's farm policy at last open the way to a new global free trade deal. (They probably do, although with muzzing Euro-logic the Community's barely sufficient concession to the outside world will still leave Europe's richer farmers grossly coddled, by taking a lot of extra money from European taxpayers.)

The big question is not even whether the military baby to which François Mitterrand and Helmut Kohl gave birth on Friday, the curious new French-German army corps, will be a threat to NATO (the way things look now, it won't) or whether the planned European central bank will be able to set up shop on schedule toward the end of the 1990s (ditto).

Behind all these Euro-technicalities is the question of purpose. For what purposes has Europe, ever since 1945, been trying to pull its component parts together? The why has to be answered if the how is ever to be got right.

Once upon a time, back in the 1950s and '60s, most people would have said that the chief reason for pulling Europe together was to pre-

vent another great European war. The dash of European enmities that caused the wars of 1914-18 and 1939-45 — above all, the enmity of France and Germany — must never happen again. Tie the main countries of Western Europe together in a network of economic and social cooperation, and peace would be safe.

And indeed peace does seem safe. No recent disagreement between Community countries — about what to do in the Gulf War, or how to cope with the collapse of Yugoslavia — has looked remotely like causing Western Europe to fight each other. The odd thing is that this seems to be less the result of Community membership than of the shared memory of past madnesses.

The institutions of the Community have of course helped West Europeans to argue out their differences. But it is above all the horror of 1914-18 and 1939-45, lodged at the back of Europeans' minds, that has made another fight between them unthinkable.

Then came a second justification for unity. If the EC countries could remove all barriers to trade between themselves — not just tariffs, but every other impediment to commerce — they would all get much richer.

This goal, too, is now largely achieved. When the single market comes into operation next year, most people in the Community will soon start to feel wealthier. It can be argued that things will be even better if there is a single European currency, and if a European central bank takes charge of the fight against wealth-eating inflation. But these things are the icing on an already appetizing cake.

At which point a third argument has come lumbering onto the scene. Europe, it is now said, needs to be even more closely unified so that it can be a power in the world.

There is in general nothing wrong with this; as an aim, it is as commendable as war prevention and wealth expansion. The ideas that most Europeans believe in — democratic politics, free market economics, a social conscience to check the

businessness of the market — deserve to be spread more widely around the world. If a more united Europe can spread them more vigorously, excellent. But watch out for two dangers.

One danger, the inside-European one, is that any attempt to build an all-European foreign policy that is not based on a solid all-European sense of identity will collapse, as surely as a house built on sand. Yes, Germans and Frenchmen and Britons and the rest do feel more "European" than they did 30 years ago. But they are nowhere near having a single European view of what to do in the world, or a single European voice to announce it.

The old national differences flicker on, dimmer but not yet extinguished. Yugoslavia and the Gulf bear dismal witness to that. Ask Europeans whether they are prepared to hand over their rights of self-defense to a single European army, commanded by a Euro-committee, and you will see those flickering differences flare brighter.

The other, bigger danger — bigger because its consequences reach far wider — is that European integration, done the wrong way, could mean Atlantic disintegration.

For many Europeans, a more united Europe is just a more efficient way for Europe to play its part in the joint foreign policy of the West. Such a Europe can do a larger part of the combined job than it does now — as it should — and do it cheaper.

But for a lot of other Europeans the purpose of Europe's being a power in the world is different. It is to break away from America, to be a separate and indeed rival power.

This Europe-by-itself river, has many tributaries. There is a half-century-old resentment that the World War II, which broke Europe, made America a superpower. There is a class element in the condemnation of Europeans who find America an incurably vulgar place. On the left there is denunciation of hard-nosed American self-confidence. On the right there is contradictory distaste for liberal American wishy-washiness. It is a powerful combination, and it

is starting to shape the debate. Only last week Britain's minister of agriculture let slip that he wanted to see the European Community become "the most powerful grouping in the world." There are plenty of others with the same gleam in the eye.

Were this indeed to be the new Europe's purpose, it would shatter the best hope of the post-Cold War world. If there is ever to be a new world order, it will be made by America and Europe working together.

They are co-owners of the same political philosophy, the same history, the same culture. There are many things they can do if they act together, precious few if they act separately.

When the Maastricht treaty was signed last December, it seemed to herald a pause in the debate about Europe's future. Luckily, the debate has proved unstoppable. The shapers of the new Europe still have a chance to avoid a historic error.

International Herald Tribune.

1892: A Vanderbilt Dies

NEW YORK — William H. son of Cornelius Vanderbilt, died yesterday (May 23) evening at his New York home of typhoid fever. He had rallied slightly yesterday morning, but died at 10 p.m. He was named after his grandfather, and was the only one of that generation to whom William H. Vanderbilt, when he died in 1885, left a direct bequest, which amounted to \$1,000,000. This had accumulated to \$2,000,000 on his reaching his majority last December. Nothing has been learned as to what, if any, disposition has made of it by will.

1917: Zeppelin Attack

LONDON — Tempted by the entry and overcast weather and underestimating by the short nights of the present season, the Zeppelin raiders made another attempt last night to steal across the North Sea to the shores of Norfolk. At least four dirigibles took part in the attack, but their only

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

claim to success lies in the fact that they escaped the British aviators. The following is a communication issued by the Commander of the Home Forces: Four or five enemy dirigibles approached the east coast shortly before midnight. They were pursued by our aviators, but succeeded in escaping owing to the overcast weather. The damage caused is insignificant.

1942: Raising Barricades

MOSCOW — (From our New York edition) The barricades of Moscow, behind which the Red Army and the Russian people would have fought last November, if the Germans had reached the city, are coming down. They are no longer needed. All this week, workmen and women have been on the job, clearing and carrying away tank traps, barbed wire, machine guns and piles of ammunition. Out of the ground have come the long iron and steel rails, necessary to keep the pressure of the war.

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Middle-Class Challenge to Thai Political Authority Echoes Around Asia

By Michael Richardson
International Herald Tribune

SINGAPORE — Shortly after armed Thai troops and democracy demonstrators clashed in Bangkok last week, officials in Jakarta put out the word that the Indonesian president, Suharto, had agreed to revoke a decree that gave him sweeping powers to rule the country when he first came to power in 1966.

Rachmat Witoelar, secretary-general of the governing Golkar political alliance, said that the decree was no longer needed and out of step with Indonesia's evolution as a more democratic nation.

He also indicated that parliament would be given more authority when it convenes in October after elections next month.

Some analysts saw the move as a sign of nervousness by Mr. Suharto, a concession to increasingly vocal critics who say his government's economic development program is favoring the rich at the expense of the poor and stifling demands for faster political reform.

Officials in Jakarta, Kuala Lumpur and Singa-

pore have said repeatedly that strong leadership, political stability and social cohesion are essential for sustained economic growth in their multi-ethnic, multi-religious societies.

However, the middle-class challenge to military domination of politics in Thailand is matched by "a growing demand for political

NEWS ANALYSIS

openness and participation" in Indonesia, Malaysia and Singapore, said Chandra Muzaffar, a Malaysian political scientist.

Rapid economic growth in all four countries, combined with wider access to education, information, travel and Western ideas, has produced a larger, more assertive urban middle class, he said.

However, a Thai-style middle-class challenge to political authority is unlikely to spread to Indonesia, Malaysia or Singapore because conditions there are different, said Kemal Sandhu, director of the Institute of Southeast Asian Studies in Singapore.

But he said that governments would need more sophisticated political management to accommo-

date the aspirations and demands being generated by greater wealth and self-confidence.

Asian societies, Mr. Sandhu added, must "learn that you don't use military force to deal with political problems."

The legitimacy of General Suchinda Kraprayoon, the Thai prime minister who resigned Sunday, was open to question because he was unelected and represented a military establishment that was bent on perpetuating and increasing its political power at the expense of the middle class and other segments of society.

Although not standing for direct election, Mr. Suharto has been re-nominated every five years as president and commander in chief of the Indonesian armed forces by the partly elected and partly nominated People's Consultative Assembly.

Since Mr. Suharto took over in 1965, the Indonesian military has been careful to share power in government with technocrats and civilian politicians, including businessmen and professionals from the emerging middle class.

Juwono Sudarsono, dean of the faculty of political science at the University of Indonesia,

said that the Indonesian middle class is "a disparate group that is basically satisfied with the status quo."

Malaysia and Singapore have civilian governments that operate in the framework of parliamentary democracy and regular general elections based on one-man, one-vote.

While they have differing systems of government, Indonesia, Singapore and Malaysia have each been controlled for more than 20 years by a single party or coalition of parties.

Opposition groups in these countries complain of official harassment.

In Singapore and Malaysia, for example, public meetings and marches are tightly regulated and the state has the power to detain suspected subversives without trial. Opposition parties assert that the very existence of this power is a form of intimidation.

"But as with people anywhere, Singaporeans will probably take to the streets if they are really angry," said Russell Heng, a former journalist who has made a study of middle-class attitudes in Singapore.

However, he added, such a high level of anger was not present now because the government had done much to raise living standards and had been adept at preempting discontent.

The Malaysian government is currently seeking to harness middle-class support by drawing up a code of conduct that would limit the privileges and authority of the sultans.

For Singapore, events in Thailand seem likely to intensify debate over the pace of cautious political liberalization that has been under way for some time, particularly since Goh Chok Tong took over as prime minister in November, 1990.

Mr. Goh's predecessor, Lee Kuan Yew, now senior minister in the cabinet and the country's elder statesman, cautioned last week that the consequences of political change needed to be carefully considered.

"There is a view from a growing, comfortable middle class that we should loosen up and be like a developed country," he said.

But Mr. Lee said his advice to his successors was to take one step at a time. "Do not believe there is a preordained growth path," he said.

ETHNIC Spreading Fires

(Continued from page 1)

hardware of the locally stationed 14th army, now under Russian control, took up positions facing the west bank.

The Moldovan president, Iliar I. Stancu, accused the army of joining the secessionists, who have laid claim to the area as the "Dniester Republic." Mr. Stancu called on "every citizen of Moldova to do everything to repel the aggressor."

Russia and the Commonwealth denied that the 14th army was directly involved, and maintained that the armor had been seized by Dniester militants. Russian officials said negotiations had been opened to recover the commandeered equipment.

But the resistance of the east-bank Russians and Ukrainians, who say they are against their incorporation into Romania, has long appealed to Russian nationalists, and already a smattering of Cossacks, ultranationalists and die-hard Communists sit in trenches along the right bank to defend their "brothers" against the "Romanians."

A new outbreak of violence was also reported in Georgia, where gunmen opened fire on a bus taking refugees from South Ossetia to North Ossetia, killing at least 35.

The attack threatened to undermine efforts by Eduard A. Shevardnadze, the former Soviet foreign minister and now Georgian leader, to end the fighting over South Ossetia, whose native Ossetians want to break away from Georgia.

The Moldovan, Armenian-Azerbaijani and Georgian conflicts are the most recent and currently dangerous conflagrations.

But pockets of tension range all across the troubled former empire. An uneasy peace has settled over Tajikistan after clashes between local factions. Azerbaijan, in addition to fighting Armenia, has gone through an internal crisis in the last two weeks in which an attempt by the former Communist leader to regain power ended with a total takeover by the opposition Popular Front.

The fates of secessionist regions like Tataria or Chechen-Ingushetia remain unresolved. And wisps of smoke are rising from Crimea, probably the most dangerous of the potential hot spots.

The Crimean parliament has withdrawn its declaration of independence under strong pressures from the Ukrainian government. But the Russian parliament promptly stirred the embers by voting to declare the 1954 grant of Crimea to Ukraine void.

The major question now is whether Crimea will proceed with a referendum on independence scheduled for Aug. 2. Ukraine has vowed to block it, while in Russia, "national-patriots" like Vice President Alexander V. Rutskoi have openly proclaimed their solidarity with Crimean Russians.

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TESTS: U.S. Weighs Curb

(Continued from page 1)

what was a major testing site at Semipalatinsk in Kazakhstan.

Last month, France announced that it was halting nuclear tests this year in hopes of spurring a universal moratorium, and Prime Minister Brian Mulroney of Canada has also called for a moratorium.

China, in contrast, last week conducted its largest underground nuclear blast to test a thermonuclear warhead meant to be deployed on a new intercontinental ballistic missile, U.S. analysts said.

U.S. nuclear tests are constrained by the 1963 Limited Test Ban Treaty barring blasts in the atmosphere, outer space or underwater; by a 1974 accord with the Soviet Union, amended in 1990, which bans explosions larger than 150 kilotons; and by a 1976 accord regulating nuclear blasts for non-military purposes.

For more than two decades, disarmament groups have pushed for a comprehensive nuclear-test ban among the five major nuclear powers.

They argue that it would block development of new nuclear weapons and discourage Third World nations from seeking nuclear arms.



Pro-democracy protesters in Bangkok cheering on Sunday over reports that Suchinda Kraprayoon might seek asylum abroad.

THAIS: Leader Resigns After Setting a Blanket Pardon for Killings

(Continued from page 1)

gunfire, beatings and mass arrests to try to crush the democracy demonstrations. Many Thais believe the death toll to be far higher.

The English-language Bangkok Post newspaper on Sunday published a list of 343 people who have been reported missing since May 17, when the military first moved in to break up an anti-government demonstration by more than 100,000 people.

Public outrage over the security forces' brutality has bolstered demands that General Suchinda and at least two important military allies be held accountable for the shootings. Four opposition parties vowed Sunday to oppose the amnesty decree, asserting that it was unconstitutional.

An editorial in the English-language newspa-

per The Nation called for murder trials for General Suchinda and two successors in the military posts he held before becoming prime minister on April 7: Air Chief Marshal Kasem Rajanarin, the new supreme commander of the armed forces, and General Issarapong Nonpankdi, the new army commander and General Suchinda's brother-in-law.

The newspaper, which published on Sunday with a black border on its front page, said the three shared "direct responsibility" for the killings and "must be brought to trial for their heinous crimes."

Thousands of people, many of them wearing traditional black and white mourning clothes, gathered near Bangkok's Democracy Monument early Sunday for religious ceremonies conducted by more than 300 Buddhist monks.

Some of the participants unfurled anti-government banners, one of which read, "Get the criminals out and establish democracy."

Public wrath has focused largely on the military, especially a 130-member group of senior officers formerly headed by General Suchinda and known as Class 5 of the Chulachomklao Military Academy. Members of the class hold important posts throughout the armed forces.

"If we maintain this system with Class 5 in power, this situation will happen again in the next three years," said Preecha Sutti, 39, a businessman who joined a crowd of several hundred protesters at the monument Sunday afternoon.

"We have to root Class 5 out of the military system," he said. "We have to get a democratic system. We cannot let the lives of our friends be lost in vain."



YOUTH: POLICY: Pentagon Shifts Goals

(Continued from page 1)

Rite of Passage

(Continued from page 1)

symp for Coca-Cola after his brewery failed to survive the end of communism, recalls touring state-run factories as part of the preparation for his Jugendweibe in 1968.

"The main thing then was politics," he said.

Still, like his wife, he strongly favored sending his daughters to the ceremony.

"Even if it was political, it was something to do," Mrs. Wilgusch said. "These days, they've closed down everything East Germany had for children — all the youth clubs, the art classes. And nothing replaces them. It's sad. Why does everything we had have to be thrown away?"

Motivated by a mix of nostalgia and desperation for some way to keep their adolescents active, organized and happy, parents now pay about \$50 to send their teenagers to Jugendweibe.

What they get is a far cry from the socialist ceremony. Run by the same people who conducted the rites under the old system, the new rites still feature East-German folk music, along with songs from around the world. But no longer do youngsters stand at attention, each in white shirt and red Young Pioneers bandanna. Prim socialist garb has been replaced by an array of miniskirts, sharply cut Western suits, taffeta pants and sequined party dresses.

Girls seem to make up about two-thirds of the initiates. Some of the boys at the ceremony wear jackets and tie, while others come in jeans.

The content of the rite is oddly thin. Once-mandatory preparation classes are optional and have little philosophical or spiritual content. Most are devoted to such topics as jewelry-making, pantomime, Asian cooking and foreign travel.

Parents recall their Jugendweibe as an absurd, heavy-handed socialist obligation, a day that ended with teenagers standing for the East German national hymn — the lyrics of which they were not permitted to sing because they called for the politically incorrect unification of the two Germans.

Mandatory UN sanctions under Chapter 7 of the United Nations charter, which was cited by Mr. Baker on Sunday, require compliance of all UN members to deal with "threats to international peace and security." Chapter 7 sanctions were used in the autumn of 1990 to impose an economic embargo against Iraq for its occupation of Kuwait and also as a framework for U.S. and coalition military action.

The transformation last week of U.S. policy from one of relatively passive disapproval of the ethnic strife in Bosnia to one of much more force was ascribed by State Department officials to several factors: the growing horror stories emerging from Yugoslavia, the buildup of U.S. public outrage, and the perception that the European Community, which had been expected to take the lead in dealing with the problem in the heart of Europe, was unable or unwilling to act.

Taking a step ahead of the Europeans rather than waiting for them as in the past, the State Department on Wednesday canceled the U.S. landing rights of the Yugoslav airline JAT.

On Friday Mr. Baker severed

ties of force planners in the U.S. Central Command by mentioning Israel only once — to say that extensive arms sales to Washington's Arab allies would present no threat to Israel.

At Mr. Wolfowitz's insistence, the new document mentions Israel first in its discussion of "regional friends" and repeats Mr. Cheney's commitment to Israel's "qualitative edge" in military technology.

The final draft document deletes a call to help Arab allies "modernize their forces, upgrade their defense doctrines and planning, and acquire capabilities such as anti-U.S. military presence as a catalyst, not an alternative, to collective action."

No change was more fundamental, officials agreed, than the handling of the relationship between alliances and collective action, on the one hand, and the unchallenged preeminence that settled upon the U.S. military with the Soviet Union's collapse.

The Feb. 18 draft spoke of the need to "insure" alliance commitments, and said that "conditions hold considerable promise for promoting collective action." But it warned that U.S. planners must retain the power to act unilaterally.

The revised document stresses U.S. military preeminence as a catalyst, not an alternative, to collective action.

Bonn's Fledgling Foreign Minister One-Upped by American Veteran

Reuters

LISBON — Germany's new foreign minister, Klaus Kinkel, was taken by surprise in front of the television cameras over the weekend by Secretary of State James A. Baker 3d on the formation of a French-German army corps.

Mr. Baker said Washington was concerned about the creation of the force. Mr. Kinkel, 55, was caught off guard by Mr. Baker's comment at what was supposed to be a photo opportunity, with comments on nothing more weighty than the Portuguese sunshine.

After a moment's confusion, Mr. Kinkel reminded Mr. Baker of Chancellor Helmut Kohl's official position — that Germany still sees the North Atlantic Treaty Organization as the key to European defense.

"I was led on a bit," Mr. Kinkel said later. "He made his domestic political point."

"It wasn't easy," he added. "I've only been foreign minister for three days and suddenly I'm placed in this situation. But I cannot go to bed and cry about it."

The new French-German force, announced Friday as the core of a future European army, is a sensitive issue in the United States, which sees NATO as the primary defense force in Western Europe.

BAKER: U.S. Presses EC on Serbs

(Continued from page 1)

believed that Washington had ruled out any such forceful intervention.

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On Friday Mr. Baker severed

U.S. military ties with the Serb-backed government, withdrawing U.S. military attaches and ordering expulsion from the United States of their Yugoslav counterparts.

At the same time, the United States ordered the closing of Yugoslav consulates in New York and San Francisco, and announced that it would not accept Serbia as the legal successor to the splintered Yugoslav Federation.

Lithuania Rejects Presidency Plan

Reuters

VILNIUS, Lithuania — Lithuania appeared Sunday to have rejected proposals, backed by Vytautas Landsbergis, for a powerful presidency. Mr. Landsbergis, who led the Baltic state to independence, would be favored to win any presidential election.

Provisional results published by Interfax news agency showed that 69.5 percent of those who took part in the referendum Saturday backed a presidential system. But, with a turnout of 57.5 percent, this amounted to only 39.87 percent of the electorate. Approval required a "yes" vote from more than half the electorate.

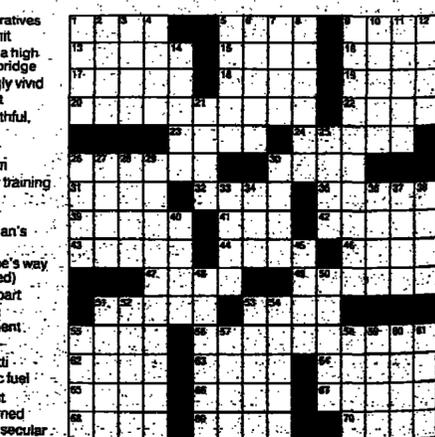
The result, if confirmed, marks a setback Mr. Landsbergis.

- ACROSS**
- 1 Broadway hit based on a T. S. Eliot work
 - 5 Dross from steel furnaces
 - 9 Covenant
 - 13 Pallid
 - 15 Purplish brown
 - 16 Kyrgyz mountain range
 - 17 Hammer-and-strings instrument
 - 18 Host
 - 19 Brood of pheasants
 - 20 Apple treats
 - 22 Subjected to induration
 - 23 Mature plant ovule
 - 24 Expunge
 - 26 Come to pass
 - 28 Husk of grain
 - 31 Region
 - 32 Computer lodger
 - 35 Spent time lazily
 - 39 Laughing
 - 41 "Katy" — the door
 - 42 South American ruminant
 - 43 Etymon's papa
 - 44 — Harz, U.S. writer
 - 46 Malevolent
 - 47 Yawn
 - 49 Freshen à la lawn
 - 51 Aromatic herb
 - 53 Yorkshire river
 - 55 N.C. river or cape
 - 56 Cosmopolitan
 - 62 One opposed
 - 63 Timber tree
 - 64 Furious
 - 65 Deer deers?
 - 66 Esau's land
 - 67 Like little pitchers
 - 68 Once, once
 - 69 Millard and Bolger
 - 70 No more than

Solution to Puzzle of May 22

BIDS HOYAS ECCE
ANOA ABORT SHAW
JAWBREAKER PIPE
AISLE ENID TER
DEER FLAPJACKS
SAVE SPH
TOY NORIA OAST
WRANGLINGCATTLE
ARKY AGUED SYD
EBE LEDA
RATTLEOFF USER
ANY LAFE CILIA
YOYO SWEETTALKS
EDAM EATNO NIKE
DEKE LYSER SETS

- DOWN**
- 1 Founder of Lower Slobbovia
 - 2 Locale covering over 17 million sq. miles
 - 3 Conjunction after
 - 4 Transmit
 - 5 One of a high suit in bridge
 - 6 Glaringly vivid
 - 7 Summit
 - 8 Old Faithful, e.g.
 - 9 Beggar
 - 10 Anonym
 - 11 Military training unit
 - 12 Even
 - 14 Hangman's "oop"
 - 21 — one's way (preceded)
 - 25 Fence part
 - 26 Angehc instrument
 - 27 Solo for Pavarotti
 - 28 Organic fuel
 - 29 Eulogist
 - 30 Unadorned
 - 33 French secular clergyman
 - 34 Pitch
 - 35 Output of Mount Saint Helens
 - 37 Give forth
 - 38 Hill's partner
 - 40 Mine car
 - 45 Village in Ireland
 - 48 Martin orpat precader
 - 50 Weird
 - 51 Cairns was one
 - 52 Abhors
 - 53 Pestar
 - 54 News bits
 - 55 Bef against the dice caster (board game)
 - 57 Verdi opera
 - 58 Study hard and late
 - 59 — and hounds (board game)
 - 60 Anatomical message
 - 61 Polioquish



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ETHNIC: Spreading Fires

(Continued from page 1) hardware of the local...

Manila Blackouts Stir Vote-Fraud Fear

By David E. Sanger
MANILA — When Filipinos voted in 1986, the election was decided not by the rigged tally, but by huge "people power" demonstrations...



Johnny Carson, right, sharing parting words with Doc Severinsen, his longtime bandleader, left, and Ed McMahon, his announcer.

AMERICAN TOPICS

Teary Eyes and Short Takes, Then Johnny's Final Fade-Out

For his last "Tonight Show," Johnny Carson compressed nearly 30 years of television into one hour. The Washington Post reported the hour flew by, but then, so did the last 30 years.

Mr. Carson introduced segments of clips from past shows covering most of his long tenure and demonstrating the incredible range of performers who sat on his couch and talked with him.

Short Takes

Smoking in the United States has declined dramatically since 1987. Between 1987 and 1990, smoking rates among adults decreased more than twice as fast as they had during the 20 years from 1965 to 1985...

About People

Maureen Reagan is running for Congress in California, with her father's active support. The daughter of Ronald Reagan and his former wife, Jane Wyman, Mrs. Reagan, 51, ran for the U.S. Senate in 1982 but got no help from her father...

Girl, 4 Others Die in Arab-Israeli Violence

By Jackson Diehl
Hours later, a Palestinian from Gaza attacked schoolchildren with a knife in the Tel Aviv suburb of Bat Yam, and stabbed to death a 15-year-old girl.

In the '80s, U.S. Rich Got Richer - and Stingier

WASHINGTON — The incomes of the rich rose in the 1980s at a pace unmatched since the 1920s, but on the average they gave a far smaller share of their income to charity, new studies show.

Goals

outbreak of violence reported in Georgia, the capital of the country...

Beijing Jails Man as Spy

BEIJING — China has sentenced a man to 20 years in prison on charges of spying for Taiwan, it was reported Sunday.

When gold must do more than glitter.

Advertisement for Omega Speedmaster Automatic chronograph watch. Includes image of the watch and text: "Omega Speedmaster Automatic gens' chronograph with date in 18 k gold. Scratch-resistant sapphire crystal. Water-resistant. Swiss made since 1848."

Advertisement for International Herald Tribune subscription. Includes headline "Subscribe to the IHT Here's what you get:", "SAVE up to 46% off the newsstand price.", "RISK-FREE TRIAL PERIOD", "FREE BONUS ISSUES", and a table of subscription rates.

TESTS: U.S. Weighs Carb

(Continued from page 1) major testing...

Rejects Plan

...that it would be...

Table with columns: Country/Currency, 12 months + 2 months FREE, 14 months newsstand rate, 6 months + 1 month FREE. Lists countries like Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland.

Subscription form with fields for name, address, city, country, and checkboxes for various options like "I prefer check appropriate boxes" and "I prefer home or business address".

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 020 440 00. Prices may vary according to market conditions and other factors. May 22

Dollar Straights

Table of Dollar Straights including Government/Supranationals and Global Corporates. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Government/Supranationals

Table of Government/Supranationals bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Global Corporates

Table of Global Corporates bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Banks & Finance

Table of Banks & Finance bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Floating Rate Notes

Table of Floating Rate Notes. Columns include Issuer & Mat, Price, Yld, Bid, Ask.

Deutsche Marks

Table of Deutsche Marks bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Dollars

Table of Dollars bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Pounds

Table of Pounds bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

High Yielding Debt

Table of High Yielding Debt bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Equity

Table of Equity bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

Other

Table of Other bonds. Columns include Issuer, Con, Mat, Price, Yld, Bid, Ask.

MUTUAL FUNDS

Table of Mutual Funds. Columns include Fund Name, Price, Yld, Bid, Ask.

NEW YORK (AP) - The following table shows the weekly international bond prices...

Prices may vary according to market conditions and other factors.

May 22

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INTERNATIONAL HERALD TRIBUNE, MONDAY, MAY 25, 1992

CAPITAL MARKETS

New View on Rates Spurs Bonanza for Borrowers

By Carl Gewirtz
International Herald Tribune
PARIS—Activity exploded in virtually every currency in the international capital market last week. Top-quality assets, some rarely seen, were evident in all sectors. But investors—long sidelined by indecision about the direction of interest rates and exchange rates—were most prominent buying Eurodollar bonds.

The catalyst changing the mood in the European markets was the spreading conviction that interest rates have peaked. This was signalled by the surprise settlement by the metalworkers union in Germany, followed by agreements with printers and shop workers, which eased fears that excessively generous wage agreements would drive the Bundesbank to tighten monetary policy further.

News that German money supply growth, although still excessive, had slowed in April to an annualized 8.5 percent from 9.4 percent in March while retail sales declined sharply added to the belief that the Bundesbank's next move would be to lower rates. Analysts remain divided on the likely timing of this move. Some expect it by early autumn, others do not see it until next year. But the exact timing seems less important than the fading of worries about a possible rate hike. Analysts say that financial markets are now free to bet on the coming reduction and start pricing it into bond yields.

Using 10-year government bonds as the reference, sterling yields last week fell 17 basis points, or hundredths of a percentage point, to 9.16 percent, and French franc yields dropped by 12 basis points, to 8.48 percent. Both markets outperformed Deutsche mark bonds, where yields fell only 8 basis points to 7.91 percent. The higher rates in Britain and France are viewed as having greater potential to decline than those in Germany.

The lagged was the European currency unit, where yields eased only four basis points, to 8.57 percent. Markets report that investors are reluctant to commit funds to this market ahead of Denmark's June 2 referendum to ratify the European Community's treaty on political and currency union. Opinion polls show the Danes nearly evenly split on the issue. Only the strong-stomached who expect Danish approval and a strong rally in the Ecu market are buying paper now.

THE advances in the main European markets were largely scored in the futures markets, rather than a result of heavy buying in the cash markets, and the cash purchases were mostly by domestic investors.

The problem for international investors was that both the pound and the French franc have appreciated in recent weeks to trade near their central rates in the European Monetary System's exchange-rate mechanism. Not only have the currencies appreciated, but British and French interest rates have narrowed relative to those in Germany.

As a result, "there is now more downside potential for sterling and the franc than upside potential" against the mark, said David Morrison, London-based economist at Goldman, Sachs & Co. "If there's no interest-rate compensation, the foreign exchange market will not take the risk."

A further complication deterring international investors was the pricing on the new issues, which was considered too tight. This was especially evident in the Deutsche mark sector, where triple-A-rated Austria and double-A-rated Finland both issued 10-year jumbos of 1 billion DM.

Finland's 8 3/4 percent bonds, less the full underwriting fees, were priced to yield 28 basis points over comparable German government debt. Austria's 8 percent bonds, less fees, yielded 25 basis points less than Finland. Both issues ended the week trading at prices below the full fees—the standard measure of a bad reception.

Activity in the dollar market was supported by the weakness of the currency, which slid to a low of 1.5770 DM early in the week. Many analysts predict it will be trading at 1.80 DM later this year or early next year, so the currency looked like a bargain.

The dollar bond market was hit by reports that the Federal Reserve Board had shifted to a neutral policy stance from its previous bias toward easing interest rates. This upset the bond market, because participants were anticipating another cut. But although the news caused bond prices to fall, it also helped buoy the dollar. It hit a high for the week of 1.6240 DM before closing at 1.6155 DM.

Whether the economic data over the coming two months will force the Fed to ease rates remains moot, however, and expectations of a cut helped the U.S. bond market recover late Friday. This nagging doubt on rates plus the continued wide gap of nearly 6 percentage points between short-term U.S. and German rates is expected to keep the dollar under pressure. The fact that

See BONDS, Page 11

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other market data. Includes entries for American, British, Japanese, etc.

Table titled 'Other Dollar Values' showing exchange rates for various currencies like Canadian, Swiss, etc.

Table titled 'Forward Rates' showing forward exchange rates for different periods.

Last Week's Markets

Table showing market performance for various indices like DJ Industrials, NYSE Comp, etc., with columns for May 22 and May 23.

Schweitzer Advances Toward Top Of Renault

PARIS — The French government on Sunday named Renault's heir-apparent, Louis Schweitzer, to replace Raymond Lévy as a director of the company, assuring continuity in the automaker's negotiations for closer ties with Volvo AB.

The nomination, announced by the Industry Ministry, was expected to be followed on Wednesday by Mr. Schweitzer's promotion to chairman of the state-owned firm.

Mr. Schweitzer, currently managing director, had been favored by both Mr. Lévy, who is retiring, and Volvo to take over. "I want my successor to know Renault well and to have been there for some time," Mr. Lévy said recently.

Mr. Schweitzer's succession had been questioned under former Prime Minister Edith Cresson, but her replacement in April by Pierre Bérégovoy and strong support from Volvo revived his chances.

He will take over a far more competitive car, truck and bus maker than the unprofitable group Mr. Lévy inherited in late 1986. Renault, which at its peak in 1984 was losing a billion francs a month, last week reported a near-sightfold increase in first-quarter pretax profit, to 2.36 billion francs (\$434 million), on a 19 percent jump in sales, to 47.73 billion.

Mr. Schweitzer's biggest challenge could be steering Renault into a closer relationship with Volvo. The two concerns sealed a cross-shareholding in early 1991.

Last week, Mr. Lévy said he expected Renault and Volvo to merge eventually, but the French government has said a merger would require a change in French law and is not on the state's agenda right now.

Mr. Schweitzer, 49, a former civil servant who was director of former Prime Minister Laurent Fabius's office from 1984 to 1986, joined Renault in May 1986.

Fed Turns Tough, but for How Long?

By Lawrence Malkin
International Herald Tribune

NEW YORK — Despite the U.S. administration's demand for easier credit worldwide, short-term interest rates in the United States have hit bottom for now. The Federal Reserve has shifted its priority to curbing inflation, and the question is how long it can hold that course.

Last week, the Federal Open Market Committee changed its operating instructions from a preference for easier money to a no-change directive. The move surprised Wall Street, where dealers had been expecting a rate cut as the economy failed to show signs of strength. It also marked an end to the long cycle of easing credit that brought the federal funds rate on overnight, interbank loans down 6 percentage points, to 3.75 percent, in more than 20 mostly small steps beginning two years ago.

Insiders say the committee—composed of the seven members of the Federal Reserve Board and five of the 12 regional bank presidents—also had a long discussion of when they should actually start to tighten credit, although that may be months ahead. The central bank's fondest wish in an election year is to be able to stay out of the political crossfire by doing nothing.

But when news of the policy shift hit the newspapers in a leak, it may have been a sign that the central bank would have difficulty getting away with a no-change stance, especially if the economy does not continue its recovery. The leak probably came from someone who was dissatisfied with the policy shift—possibly from an administration official who hoped to be able to blame the central bank if the economy falters during President George Bush's reelection campaign. Fed officials said they knew where the leak came from, but they were not revealing the source.

Open Market Committee decisions are not published until six weeks after they are made. Although the Fed chairman, Alan Greenspan, still has the freedom to cut short-term rates by another quarter of a point, he is now unlikely to do so without dramatic statistics showing the economy suddenly falling out of bed.

Mr. Greenspan now finds himself with less leeway to act than in recent years, when he steered a policy of loosening credit gradually to stimulate the economy to a low growth path that he hoped would not reignite inflation.

Fed governors David W. Mullins Jr., Susan M. Phillips and Lawrence B. Lindsey, all appointed by Mr. Bush, are known to stress economic growth; governors John P. LaWare, Wayne D. Angell and Edward W. Kelley Jr., appointed by former President

Weakness Seen in U.S. Tools Risk for Recovery In Lower Exports

By Lawrence Malkin
International Herald Tribune

NEW YORK — Orders for U.S.-made machine tools dropped in April after two monthly gains, a reflection of weakening foreign demand tied to economic distress in other countries, an industry report said Sunday.

Economists said the monthly figures reported by the Association for Manufacturing Technology may be ominous for the United States because they substantiate other evidence of a declining appetite for U.S. goods abroad.

That is a threat to the U.S. economy because exports have been helping it climb out of recession.

"This is reflective of a basic underlying problem, which is substantial economic weakness overseas, draining energy from the U.S. economic recovery," said Richard Hoey, chief economist of Dreyfus Corp.

Orders totaled \$219.95 million in April, down 9.4 percent from a revised March figure of \$242.80 million, said the association, a trade group in McLean, Virginia. Orders in March had risen 15 percent.

On the positive side, total orders for April were well ahead of year-earlier levels of \$193.70 million. Domestic orders totaled \$190.95 million, up nearly 30 percent from \$147.25 million a year earlier, suggesting that U.S. demand for machine tools is still relatively strong.

The machine tool order backlog increased to \$1.49 billion in April, up from \$1.47 billion in March and \$1.44 billion in April 1991.

"The domestic economy is showing a sizable gain from a year ago, so that's encouraging," said Lynn Reaser, chief economist and senior vice president at First Interstate Bancorp in Los Angeles. Still, she said, "it's important to note that exports are declining."

Export orders totaled \$29 million in April, down 9.2 percent from March and down nearly 38 percent from a year earlier.

Albert T. Moore, association president, said the export decline reflected "the economic distress our trade partners are experiencing."

Last week the Commerce Department said a 1.8 percent decline in exports contributed to a large jump in the trade deficit in March.

After O&Y, Wary Eyes on Bronfmans

By Clyde H. Farnsworth
New York Times Service

TORONTO — Back in 1979, two of Canada's great business families seemed headed for a confrontation. The Bronfmans brothers, Edward and Peter — they are the "other" Bronfmans, not the Seagram branch of the family — and the Reichmann brothers, Paul, Albert and Ralph, coveted a real estate holding company called Trizec Corp.

The Bronfmans, intent on building a real estate empire, had taken a 37 percent stake in Trizec three years earlier. Then the Reichmanns, busy building their own empire, came along and snipped up a 33 percent stake.

But one day some of the Bronfmans' lieutenants bumped into Paul Reichmann in a hotel lobby and discovered the Reichmanns really only wanted Trizec as an investment. They were willing to let

dollars of loans made by Edper companies to Olympia & York.

The two groups do business in some of the same sectors, particularly real estate, which has been rattled by the Reichmanns' troubles.

Edper is a sprawling conglomerate of 500 private companies and 48 public companies with 100,000 employees and assets of 100 billion Canadian dollars (\$84 billion). By some estimates the publicly traded companies account for more than 10 percent of the Toronto Stock Exchange's capitalization.

Some of the jewels in the Edper crown: Canada's largest concerns in forest products (MacMillan Bloedel), mining (Noranda) and insurance (London Insurance); Canada's second-largest trust company (Royal Trust) and brewer (John Labatt), and such huge real estate companies as Trizec, which alone has assets of nearly \$12 billion and

owns 72 percent of Bramalea Ltd., itself a troubled real estate company with extensive U.S. holdings.

"I do think we'll come out whole," said Willard J. L'Heureux, 44, a lawyer and key strategist for the group. He runs Hees International Bancorp Inc., Edper's merchant bank. (The Bronfman brothers refused to be interviewed for this article.)

Like many in Canada who have been watching Olympia & York with great concern, Mr. L'Heureux is pinning his hopes on an end to Canada's recession.

But, he acknowledged, "The O&Y situation is troubling, not just because of our personal connection with them, but because it's troubling to Canadian capital markets. Uncertainty doesn't help."

Clearly, the uncertainty does not come just from Olympia & York.

"I'm very skeptical," said Alain Tuchman, an analyst for McLean McCarthy, Canadian investment affiliate of Deutsche Bank AG. "The group's activities are highly leveraged toward commercial real estate. Given the negative outlook for that sector, bankers are becoming increasingly nervous about prospects of some of their key holdings."

Dominic Drouby, the former

See BRONFMANS, Page 13

London Notebook

Canary Wharf's Cash Need Lies Underground

Property market sources in London say Canary Wharf's hapless creditors would likely have no more success renting the immense 4.5 million-square-foot (405,000-square-meter) development than Olympia & York Developments Ltd., no matter how deeply they cut into the £15 (\$26.80) a square foot asking price.

The reason why people have not been willing to move to Canary Wharf is the location and the accessibility, not the price," insisted an executive of a big London property firm that has been trying to lure tenants to the project. The £15 figure already represents a 50 percent drop from O&Y's original asking price, and still 40 percent of the space sits vacant.

Accessibility will almost certainly prove to be both an expensive and long-lived sticking point. By all accounts the only solution is the long-planned extension of the Jubilee underground line to the site, to be completed in 1996 at the earliest. It is to help fund that extension that O&Y had pledged to contribute £400 million, a pledge that the British government still insists be honored.

Commercial necessity, argue a number of property specialists, suggest that O&Y's creditors will ultimately have to dip into their pockets and pay for the line. Refusing to do so, insisted one source close to the project, "would be like being stranded on an island and refusing to buy a boat." One property analyst reckons that an accessible Canary Wharf might ultimately enable the banks to

realize 80 or 90 percent of the value of their loans versus half that sum without the tube line.

Unwarranted Glee

Japanese corporations, faced with the need to refinance \$36 billion worth of warrants and convertible bonds this year and more than double that amount next year, are eyeing the Euromarkets anxiously, looking for a way out of their predicament. "There is an enormous amount of debt restructuring that needs to be done," said Tim von Halle, head of Eurobond syndication for Merrill Lynch International in London.

On Wednesday, Toyota Motor Corp. shattered the record for the largest straight corporate Eurobond ever, selling \$1 billion of bonds. That easily surpassed the \$600 million issue for Chevron Corp. back in 1986.

For the Euromarket's all-too-numerous underwriters, who had a disastrous first quarter, the news that the Toyota issue was snapped up in a single day and the hint that there may be more to come was encouraging indeed. But some bankers suggest that jubilation may be premature.

"I think that this was the exception more than the rule," said Andrew Pelling, syndication head for Nomura International, which along with Merrill was the lead manager on the Toyota issue.

Although that issue was an unqualified

success, Mr. von Halle and others suggest that the supply of triple-A-rated Japanese corporations with huge cash needs is tiny—perhaps no more than a half dozen. Below that august rating, bond traders say that the market would likely balk, especially given the rapid demystification of Japan Inc. in general.

In fact, Mr. Pelling confessed that he originally harbored some doubts over the market's response to even Toyota.

"Most of the warrants were issued by companies few people outside of Japan have even heard of," said Mr. von Halle. For them, today's Euromarket is quite a change from the halcyon days when many a Japanese company was able to raise funds at almost no cost whatsoever by tacking warrants on to their bond issues. Depressed Japanese stock prices have now pushed the value of those warrants below their worth even as wallpaper.

Thatcherism Redux

No doubt Margaret Thatcher would be pleased. No doubt only she ever imagined things would, could or even should go this far. Last week, they most assuredly did. It was announced that the "left luggage" facility in Heathrow Airport's Terminal 3, the terminal used by American and United airlines among others, had been privatized.

Goodbye civil service; hello free-market
See NOTEBOOK, Page 11

Westpac Fears Rival May Attempt Takeover

SYDNEY — Westpac Banking Corp. said Sunday that fears of a takeover bid from the rival National Australia Bank Ltd. prompted it to take measures to shore up its balance sheet.

Westpac's managing director, Frank Conroy, said that concerns about a bid were partly responsible for its recent decision to take a 2.65 billion Australian dollar (\$2 billion) charge for bad and doubtful debts in the latest six months.

He also cited the bank's low share price and uncertainty about its asset and earnings quality. The charge resulted in a 1.67 billion dollar loss for the six months ended March 31, compared with a 218.8 million dollar profit a year earlier.

Asked on television if the possibility of a bid by National Australia for Westpac was a factor considered by the board in approving the write-off, Mr. Conroy said, "Oh, clearly."

Westpac is vulnerable, he said, "there's no question about that, and that's one of the reasons why we made that decision."

The write-off, more than four times higher than the year-earlier charge, was due to a reassessment of property values.

Westpac shares closed 2 cents lower on Friday, at 3.70 dollars, valuing the bank at 4.89 billion dollars. The shares traded as high as 6.10 dollars in January.

In releasing its half-year results

on Wednesday, Westpac also announced a three-for-10 rights issue priced at 3 dollars a share, to raise 1.2 billion dollars to bolster its balance sheet.

The following day, National Australia announced a 12.5 percent rise in its first-half net profit, to 405.6 million dollars, confirming its status as the most profitable of Australia's four largest banks. National Australia was helped by a 9 percent fall in its charges for bad or doubtful debt.

Mr. Conroy said Westpac would be strongly profitable in the second half and in the following two financial years.

The bank posted a net profit of 476.4 million dollars in the year ended Sept. 30, down from 683.9 million the previous year.

But he said growth would be difficult, adding that much of the bank's current growth was from housing loans, which had doubled in the last few months.

Westpac will have further bad debts in the second half, Mr. Conroy said, but they will be significantly below the level of first half as no major collapses are expected.

Analysts said last week that the worst appeared to be behind Westpac now that it had increased its provisions.

Moody's Investors Service Inc., Standard & Poor's Corp. and S&P Australia all affirmed their ratings of Westpac.

BusinessWeek International
This week's topics:
O Europe Eases Out of a Slump
O How Intel Stays No. 1 In Chips
O Is O&Y Too Big To Fail?
O Competition Rocks Europe's PTTs
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New International Bond Issues

Compiled by Laurence Desvillettes

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Term. Lists various international bond issues from floating rate notes to equity-linked bonds.

Möller asks longer workweek

MUNICH — Economics Minister Jürgen Möller has urged German industry to work throughout the week, including Sundays, to increase production and get a better return on investment in expensive equipment.

Treasuries Ease as Fed Holds Steady

NEW YORK — Treasury securities eased last week, especially short-term issues, after the Federal Reserve Board failed to provide a widely expected interest-rate reduction.

On Thursday, prices fell as the bond market was dismayed by a published report that said the Fed had decided against an immediate interest-rate cut.

indicate whether past rate cuts have given a sufficient boost to the economy. If the economy remains weak, the central bank will be under pressure to cut rates.

NOTEBOOK: Euromarket Hopes for More Toyotas

(Continued from first finance page) forces. "The staff has not exactly been customer-friendly," said David Elliott, chairman of Excess Baggage Co., the winning bidder for the facility that takes in (and hopefully gives back) a half million pieces of luggage a year.

SHIFT: Can the Fed afford to hold firm on rates?

(Continued from first finance page) low end of its range. "That's what happens when you try to run a gradualist monetary policy and don't dare take a sharp recession to clean out inflation. You can't get away with it. The result is stagnation interrupted by occasional monthly spots of activity. Just wait, the economy will lose its momentum by the summer, and the Fed will have to loosen up again."

U.S. CREDIT MARKETS

Treasuries to sell off, said Trade-Latimes, vice president and chief market strategist at Wayne Grayson Capital Corp. By Friday, there was a range of opinion about the central bank's next move.

Hong Kong Spurs Macao Cut

HONG KONG — The Macao Association of Banks cut interest rates by one percentage point across the board effective Monday, following an identical move in Hong Kong on Friday.

WALL STREET REVIEW

Table with columns: NYSE Most Active, NYSE Sales, NYSE Divides, AMEX Most Active, AMEX Sales, AMEX Divides. Includes figures as of close of trading Friday, May 22.

Jordan Claims Progress On Rescheduling Debt

AMMAN — Jordan has rescheduled about \$128 million of debts under an agreement with the United States, the Central Bank Deputy Governor was quoted as saying on Sunday.

Splitting Up

Branimir Pajkovic, the Yugoslavian director to the European Bank for Reconstruction and Development, resigned last week, saying "It is impossible for me to represent a country that does not exist anymore."

Fed Favored Short Debt

The Federal Reserve System in recent years has systematically moved its portfolio into short-term Treasury debt, according to minutes of the Federal Open Market Committee meeting of March 31.

Euromarkets At a Glance

Table with columns: Eurobond Yields, Weekly Sales, Labor Rates, U.S. Treasury Bonds, U.S. Consumer Rates. Provides a snapshot of various financial markets.

BONDS: Rate View Means Bonanza For Borrowers

(Continued from first finance page) a strong response from investors because the issues were deemed to be fairly priced. Ontario raised \$2 billion in a 10-year, 7% percent global bond priced to yield 64 basis points over comparably dated U.S. government paper.

Mr. Morrison said he expected the dollar to remain weak through the end of the year, until German rates actually decline. He said he saw the dollar trading at 1.53-1.69 DM over the coming three months and then possibly as high as 1.91 within 18 months.

British Columbia, rated double-A, made its first appearance in the dollar market since the early 1980s with \$500 million of 10-year bonds carrying a coupon of 7% percent and priced at 98.61 to yield 48 basis points over the benchmark level.

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 22

(Continued)

Table with columns: Sales, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

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BUSINESS BRIEFS

BHP Predicts Record Coal Output

SYDNEY (Reuters) — Broken Hill Proprietary Co. said production from the coal mines it manages in the Bowen Basin in central Queensland would rise 16 percent, to a record 37 million metric tons, in the year ending May 31.

Bob Flew, group general manager of the Australia Coal Division, said coal output had been excellent, but that low prices and difficulties with government had hurt earnings, the Australian Associated Press reported.

Clorox Chief Resigns Amid Changes

OAKLAND, California (Bloomberg) — Clorox Co. said Robert Bolingbroke would resign as president on Friday as part of a management reorganization.

"There will be little opportunity for me to contribute further to the company as a result of the reorganization," Mr. Bolingbroke said. He will serve as a consultant to Clorox for two years.

ABN AMRO Denies Unit Is for Sale

AMSTERDAM (Reuters) — ABN AMRO Holding NV denied a British newspaper report that its merchant banking unit, Pierson, Holding & Pierson was for sale.

An ABN AMRO spokesman, Hanno Wolf, said the report in the Independent on Sunday was "totally untrue" and that ABN AMRO had no plans to sell Pierson or its other merchant bank unit, Bank Mees & Hope.

ABN AMRO was created in 1990 when Algemene Bank Nederland NV and Amsterdam Rottterdam Bank NV merged. Since the merger, there has been recurrent speculation that either Pierson, a former ABN unit, or Mees & Hope, a former ABN unit, would be sold because of overlapping activities.

Asko Chairman Expected to Resign

MUNICH (Reuters) — Asko Deutsche Kaufhaus AG's supervisory board approved the resignation of its chairman, Helmut Wagner, at a meeting on Friday, according to Forbes magazine.

Forbes said in a telex press release that Mr. Wagner would give up his post at the company's August shareholders' meeting.

For the Record

The Swiss Canal Authority has set up ship-to-ship loading facilities to transport vessels too big to pass through the canal fully loaded. (Reuters)

Chrysler Corp. said about 4,400 employees have opted for early retirement. (AP)

WORLD STOCKS IN REVIEW

Amsterdam

Amsterdam stocks edged higher last week, with the CBS all-share index gaining 2.30 points to close at 212.40 on Friday.

Equities volume for the week was 3.1 billion guilders, down from 4.3 billion the previous week. Kempen & Co. analysts said they expected little movement this week.

Fokker rose 1.4 guilders, to 35.10 guilders, on reports that Aerospaciale of France and Alenia of Italy would take control of the Dutch aircraft company along with Deutsche Aerospace of Germany.

Frankfurt

Share prices rose to their highest levels since August 1990 as investors welcomed the end of the German labor conflict.

The DAX spot index gained 78.89 points during the week, to stand at 1,802.96 on Friday. The Commerzbank index closed at 2,035.2, up 64.7 points.

Volume rose to 97.66 billion Deutsche marks from 31.51 billion DM the previous week.

Traders said both German and foreign institutional investors had reappeared after a "crisis of confidence" that lasted for several weeks. But analysts at West LB said that from the viewpoint of fundamentals, the situation was little changed, as the German economy still suffers from high interest rates and inflation.

Auto stocks were strong. BMW gained 53.50 DM on the week, to 614.50 DM. VW gained 22.50 DM, to 404 DM, and Daimler rose 46.5 DM, to 812 DM.

Commerzbank rose 4.80 DM, to 268.70 DM, while Dresdner Bank shed 10.30 DM, to 348.70 DM.

Hong Kong

Share prices rose sharply in active trading. The Hang Seng index gained 155.16 points, or 2.72 percent, ending at 5,859.66 points on Friday.

An inflow of foreign funds and speculation over a possible interest rate cut sent the Hang Seng index to a record high of 5,865.61 points on Thursday.

Average daily volume increased slightly, to 3,899 billion Hong Kong dollars from 3,863 billion dollars the previous week.

Hong Kong Bank was unchanged on the week at 44.25 dollars, but Jardine Matheson gained 2.50 dollars, to 57.00 dollars.

London

Share prices edged higher on factors ranging from positive company results to retail sales figures.

The Financial Times-Stock Exchange 100 share index gained 32.4 points, to close Friday at 2,715.0.

Prices rose early in the week after the Confederation of British Industry published a mildly optimistic survey on retail sales. Disappointing company results pulled shares down Tuesday, but a series of positive earnings reports pushed prices up again at midweek.

Giins were restrained by official figures showing a smaller-than-expected rise in April retail sales and disappointing gross domestic product figures confirming that the recession is not yet over.

Midland Bank gained 3 percent on the week, and Lloyds Bank dropped 0.5 percent as HSBC Holdings bid for Highland was approved by the Bank of England and the European Commission. Lloyds' proposed bid was referred to British anti-monopoly authorities.

In the retail sector, Boots gained 6 percent and Dixons rose 12 percent. British Airways rose 11 percent after more than doubling its annual profits.

British Telecom rose 4 percent after reporting profits of more than £3 billion for the second consecutive year.

Average daily volume was 40 million shares, up from 37 million the previous week.

Institutional investors, attracted by low prices on a market depressed by Italy's political crisis and a Milan construction industry scandal, fueled the gains, analysts said.

Among blue chips, Fiat gained 11.85 percent, CIR rose 9.13 percent, Olivetti advanced 7.82 percent, and Stet was up 6.15 percent and Pirelli added 8.03 percent.

Paris

The Bourse posted moderate gains last week, but trading was directionless. The CAC-40 index gained 21.17 points, or about 1 percent, to end at 2,045.12 on Friday.

The easing of the German labor situation reassured French investors, but the continued high interest rates in Germany put them off.

Analysts said investors were hesitant all week and the market was hit by bouts of profit-taking.

Oil stocks were active after the French government announced that it was relinquishing some of its stake in Total. Elf Aquitaine closed at 394 French francs, up 15.70 francs, and Total finished at 259.70 francs, down 0.30 franc.

Singapore

Singapore stocks were little changed during a holiday-shortened week.

The Straits Times industrial index was unchanged for the week, closing at 1,466.72 points on Friday. The market was closed Monday.

Volume shrank 26.2 percent, to 138.99 million shares.

Tokyo

Tokyo stocks rebounded from the sharp drop spurred by Olympia & York's bankruptcy filing.

The Nikkei Stock Average gained 146.73 yen, or 0.8 percent, to close Friday at 18,221.00. A week earlier, the Nikkei had fallen 301.68 yen.

Average daily volume fell to 283.8 million shares from 394.3 million shares.

The Nikkei index gained more than 300 yen on both Monday and Tuesday as investors decided the market had overreacted to Olympia & York's move to seek protection from creditors.

Banks recovered. The Bank of Tokyo ended the week at 1,040 yen, up 40 yen, and Fuji Bank rose 110 yen, to 1,440 yen.

Zurich

Switzerland's decision to apply for membership in the European Community sent share prices higher before profit-taking trimmed gains. The Swiss Performance Index gained 2.39 points, or 0.2 percent, ending at 1,197.52 on Friday.

In the industrial sector, Brown Boveri rose 110 Swiss francs, to 4,310 francs.

Babcock Posts Loss But Orders Increase

OBERHAUSEN, Germany — Deutsche Babcock AG said Sunday that it recorded a loss of 35 million Deutsche marks (\$21.7 million) for the six months ended March 31, as sales fell slightly.

The German engineering company said incoming orders had risen in the six-month period, but added that it was still waiting for the long-expected allocation of power station orders from Eastern Germany. In the year-earlier period, the company's earnings were flat.

A reorganization has improved its position, Babcock said, but further cost cuts are still needed.

Group sales fell to 2.6 billion DM from 2.7 billion DM a year earlier. But incoming orders rose to 3.2 billion DM from 3 billion DM.

Orders in hand totaled 7.3 billion DM in the period, down from 7.7 billion DM. The company's investment totaled 153 million DM, up from 98 million DM.

Babcock predicted sales of 8 billion DM and incoming orders of more than 7 billion DM for the year ending in September.

Growth in Traffic Helps Singapore Airlines Profit

SINGAPORE — Singapore Airlines Ltd. said Sunday that its operating profit rose 2.6 percent in the year ended March 31, as traffic growth and lower fuel prices aided revenue.

The carrier said the strong Singapore dollar, a weak global economy and fare-cutting competition among airlines slowed its earnings growth.

But a 13.1 percent rise in traffic and a 5.8 percent drop in fuel and oil costs enabled it to post an operating profit of 976 million Singapore dollars (\$602.5 million), up 25 million dollars from the previous year.

Revenue increased to 5.4 billion dollars from 4.9 billion dollars. The group's net profit rose 1.7 percent, to 928.4 million dollars, after falling 24 percent the year before because of the Gulf War and soaring fuel prices.

Pretax profit fell 52 million dollars, to 1.1 billion dollars, mainly because of a profit-sharing bonus. The airline accounted for 92 percent of group profit. With 14,113 workers, the airline is Singapore's largest single employer.

Group assets totaled 9.9 billion dollars at the end of March, up from 9 billion dollars. The company said that assuming the world economy turns around by the end of 1992, "passenger traffic should continue to grow, although it will probably be far from robust."

BRONFMANS: Will Real Estate and Industrial Empire End Up Like the Reichmann's?

(Continued from first finance page) chairman of the Montreal Stock Exchange and president of Montreal-based Dionby Investments Inc., thinks it unlikely that Edger can emerge unscathed. "Any fully leveraged conglomerate faces a very hard couple of years," he said.

One of Edger's weaknesses problems was the difficulty he had earlier this year finding buyers for about 1 billion Canadian dollars of unsecured short-term loans. It was this kind of problem that caused Olympia & York to start unraveling.

But Mr. L'Heureux insisted Edger's problems were temporary. When O&Y made the March 23 announcement it was trying to stabilize a liquidity crisis, "the entire Canadian capital market was affected," he said. "Now it's normalized, and we're back issuing paper. Yes, the program has been reduced, but that's not a big deal for us. All of our commercial paper is covered by contractual bank credits, and we don't rely on uncovered commercial paper."

If Edger has an Achilles' heel, it might be Bramalea, a Toronto-based concern with extensive U.S. and Canadian real estate holdings.

Although its properties experienced high rates of occupancy last year, the 1991 annual report hints at the potential for a revenue squeeze, noting "several tenants postponed expansion plans, reduced space needs and sought rate reductions."

What troubles bankers, as well as the Toronto Stock Exchange, is Bramalea's 4.8 billion dollars of debt and its need to refinance 653 million dollars of maturing debt this year. Bramalea's bonds have recently been downgraded to junk-bond status and the stock is at new lows, closing Friday at 1.90 dollars.

One sign of cash shortage is the payment of dividends well in excess of earnings. Dividends are the means by which cash travels up the conglomerate to the Bronfman brothers and senior managers. But when dividends exceed earnings of the operating companies, they can weaken the companies' capital base.

The Financial Post of Toronto has calculated that Bramalea paid 29 million dollars in common dividends in 1991, a sum seven times greater than its 3.9 million earnings.

In defense of the dividends, Mr. L'Heureux said Edger overcapitalizes companies to provide a cash cushion in bad times. "There used to be big swings for resource com-

panies in Canada. The markets loved them in hot times; the bankers hated them in down times. What we've done is taken the cyclical out."

Mr. L'Heureux said the holding company structure facilitates the raising of capital for the operating companies, in Edger's case through preferred stock more than common. He cited the \$2 billion of equity capital the group accumulated for Noranda over 10 years.

That may be, but over the years Edger has still earned a reputation for being loath to reveal the intricacies of the organization.

"Until recently, the Edger Group operated behind a wall of silence, disclosing what it felt it had to, but generally trying to stay out of the public eye," said David Crane, business editor of The Toronto Star. Indeed, to understand the mystification, one need only see the names of some Edger operations: like 654626 Ontario Ltd.

"We've taken the criticism to heart and tried to improve disclosure," said Mr. L'Heureux. With the Reichmann's woes dominating worries about Canada's business environment, investors increasingly seem to share Mr. Jaroslawski's concern. Stock in Edger Enterprises, the holding company atop the empire, was issued at \$27.50 in 1989. It closed Friday at \$7.38 on the Toronto Stock Exchange.

MUTUAL FUNDS

(Continued)

Table with multiple columns listing mutual fund names, share prices, and other financial data. Includes sub-sections for 'New Issues', 'Selected Funds', and 'Sector Funds'.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 22

Table listing NASDAQ market data, including various stock prices and market indices.

European Bourses Set Bid Rules

LISBON — The Federation of European Stock Exchanges said it has adopted a code of principles to harmonize takeover regulations across Europe and make bid information widely and evenly available to all shareholders.

The code also bars target companies from taking defensive steps unless consent for those steps has been granted previously by shareholders.

The federation, whose members are from the 12 European Community states and the seven members of the European Free Trade Association, agreed on the code at a biannual meeting on Friday.

Among the 11 points in the code: In cases of merger or takeover offers, stock exchanges should do all in their power to ensure equal treatment is observed for all shareholders.

Exchanges shall use such powers of sanction as they may have available, including public criticism and the suspension of listing, against any company found to be in default of its obligations under the exchange's own rules or these principles.

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MONDAY SPORTS FRENCH OPEN

Is This the Dawning of the Courier Era?

By Nick Stout

PARIS — One thing about Jim Courier, says the coach who trots the globe with the world's top tennis player, is his understanding of the game's history.

"The Grand Slam events are extremely important to him," Courier's coach, Brad Stine, said between practice sessions for the French Open, which begins Monday. "He wants to be completely and totally prepared to give his best effort at those events."

Unlike Michael Chang, the 1989 French Open champion whose sudden glory proved to be premature, and Andre Agassi, whose 1990 thrashing of Andre Agassi turned out to be a last hurrah, Courier kept getting better after he tamed Agassi in the 1991 final. Now the strongest man in professional tennis, he returns to Roland Garros Stadium to defend his title.

Courier was probably too young to recall much of the Bjorn Borg epoch here, but he might have seen some of the classic Mats Wilander-Ivan Lendl confrontations, and the idea of a Jim Courier era at Roland Garros might well have crossed his mind.

But there has been a lot on the mind of this 21-year-old Floridian as he has climbed to the No. 1 position.

Courier arrived in Paris last year fighting an acute crisis of confidence. There had been a dramatic incident at the Italian Open a few weeks earlier, when Courier, frustrated at having lost a third-round match to Andrei Cherkasov, exploded.

"I'm No. 9 in the world. I'm 20 years old, and I hate my life," Courier had shouted for all the world to hear.

A short while later, in a nearby parking lot, Stine grabbed his pupil by the collar and gave him a lesson in life.

"I basically told him to grow up," Stine said. "I told him, 'Take six months off and let your ranking drop to No. 20 or 30. No one will be worried about you. You can play without any pressure, and you'll make a good living. But if

your desire is to be a top-five player, to see how good you can possibly be, then you've got to find a positive way to deal with the pressure that you feel upon yourself."

"It was an intense conversation," Stine said. "We were really going at it."

Courier responded, with the help of his second coach, the Spanish clay-court guru

Courier's potential rivals include Thomas Muster in the second round, Alberto Mancini in the third and Karel Novacek or Jakob Hlasek in the fourth.

Jose Higueras. By winning the 1991 French championship, But then came an unflattering article in Sports Illustrated — Courier was devastated — and the continued expectations to win, win, win.

As the U.S. Open approached last summer, Stine and Higueras were so concerned about Courier's ability to cope that they advised him to stay away from the year's final Grand Slam event.

"He was tired," said Stine, a U.S. Tennis Association coach who has been with Courier full-time for the past year and a half. "We told him that with the attitude that he was presenting in practices and workouts in preparing for the stress and pressure of having to play Grand Slam events, we thought the best thing for him to do was to pull out."

Courier mullied over this advice for 24 hours and then declared that he was not going to withdraw from the U.S. Open. He would do whatever it took to prepare himself for the task. That story ended with Courier stopping Jimmy Connors in the semifinals before losing the championship to Stefan Edberg.

"I've matured a lot in the last year," Courier said here last week. "The pressures are greater because everyone expects me to be there in the end. But I can never control whether I win or lose. I can only control how I play on the court. And sometimes the other guy's going to win."

If he refused to abandon the U.S. Open, Courier, fatigued from two long tournaments in Asia, had no qualms about pulling out of the clay-court event in Hamburg three weeks ago and gambling that one warm-up on clay — the Italian Open — would be enough preparation for Paris.

"For me," Courier said, "the most important thing is to come in fit and eager and fresh. If I'm overplayed, I'm not going to be very hungry."

Still, he needed a few matches on clay, and the gamble might have been costly. Courier's first opponent in Rome was Thomas Muster, the Austrian who had just won the Monte Carlo championship. Had he lost then, Courier would have come to Paris with only one clay-court match this year. As it happened, Courier played six, finally beating Carlos Costa, the 1992 clay-court sensation, in the final.

The field in Paris this year is the strongest ever; only two of the top 106 ranked players are missing. One of those is Boris Becker, whose aching thigh prompted him to withdraw.

Courier's potential rivals include Muster in the second round, Alberto Mancini in the third and Karel Novacek or Jakob Hlasek in the fourth — all strong competitors on clay. But it takes three sets to win a match, which argues for survival of the fittest.

If a Jim Courier era is in the offing, the French organizers have yet to be convinced. They have scheduled Courier's opening match on Monday — against the qualifier Niclas Kroon of Sweden — not on the Center Court where his dreams came true last year, but on the smaller, No. 1 showcourt reserved for lesser attractions.

Penguins and Blackhawks Gain Finals

The Associated Press

Mario Lemieux returned from a broken hand, and the Pittsburgh Penguins returned to the Stanley Cup finals.

Lemieux, sidelined for the series opener, scored two sensational goals Saturday as the defending champions captured the Wales Conference title, capping a four-game sweep of the Boston Bruins with a 5-1 victory in Boston.

Lemieux, hurt in the previous series when he was slashed by Adam Graves of the New York Rangers, opened the door to the Stanley Cup finals, which begin Tuesday night in Pittsburgh against the Chicago Blackhawks.

Boston had played Pittsburgh evenly in the opener but lost, 4-3.

STANLEY CUP PLAYOFFS

Lemieux, who said he had not expected to return until the fifth game, came back in Game 2 and made sure there was no fifth game.

He had two goals and an assist in a 5-2 victory in Game 2 and three assists in a 5-1 triumph Thursday before scoring twice Saturday night.

Jaromir Jagr scored 4:51 into the game, and the second goal, at 13:09 of the first period, was all Lemieux.

Boston had a 4-on-3 advantage, and Joe Juneau had the puck in the right corner of the Penguins' zone. He tried to pass to Ray Bourque at the left point, but Lemieux stretched his long right arm and intercepted the puck in the right circle.

He steamed up the middle, evaded Bourque near the Boston blue line and flipped a forehead shot into the upper right corner of the net.

After Paul Stanton made the score 3-0 at 5:27 of the second period, Lemieux connected again

with an outstanding individual effort at 13:58 of the period.

He used his strength to shake off defenseman Gord Murphy, whose stick was hooked into his right hip, cut to the middle and beat goalie Andy Moog with a shot between the pads for his 11th goal.

Blackhawks 5, Oilers 1: In Edmonton, Alberta, Chicago swept its second consecutive series to win the Campbell Conference title Friday and a berth in the Stanley Cup final for the first time since 1973.

The Blackhawks set a league record with their 11th consecutive victory in one playoff season, breaking the previous mark of 10 set by the Bruins in 1970.

Rob Brown had a goal and two assists for the Hawks. Brian Noonan had a pair of goals, with

Mike Hudson adding the other. Kelly Bachyber scored for the Oilers in the final period.

Edmonton's goaltender, Bill Ranford, said the Blackhawks didn't give the Oilers any room at all.

"We didn't have a single good game in the four games," he said. "That's a credit to them. They really shut us down."

Fitting End to WLAFL Season

By Gerald Eskenazi

NEW YORK TIMES SERVICE

EAST RUTHERFORD, N.J. — The often outlandish trappings of World League of American Football action were all here: a halftime competition for male and female body builders, an air force swearing-in ceremony for 16 recruits, a streaker who punctuated the end of the second quarter.

In short, it was as if the National Football League had gone to a party and wore a lamp shade.

The streaker, who wore skin-colored shorts, ran up to a goal post and was bear-hugged by a security guard and carried off.

"I wish," someone said, "they'd tackle like that out on the field."

Perhaps Saturday's festivities should have included "Auld Lang Syne." This may have been the final game for the New York/New Jersey Knights, who played out their season against the Montreal Machine.

The Knights wound up with their sixth straight victory, a 41-21 trouncing that left them with a 6-4 record, which is not good enough for the playoffs.

It was a typical razzle-dazzle Knights performance, with quarterback Reggie Knight scoring on a 7-yard run and then tossing a 27-yard touchdown pass before leaving the game with a knee injury.

The NFL will decide this summer whether it wants to continue subsidizing the springtime league for \$14 million a year.

The playoffs will be held next week among three division winners and one wild card, with the World Bowl to be staged in Montreal on June 6.

In other games, The Associated Press reported:

Sarge Z, Riders 21: In San Marcos, Texas, David Ascher passed for 324 yards and the go-ahead touchdown, rallying visiting Sacramento into the playoffs.

The Sarge (2-2) won the North American West title and will host Barcelona in a first-round playoff game. San Antonio (7-3) is out of the playoffs unless Birmingham (6-2-1) loses Sunday to Ohio (1-8). An Ohio victory would send the Riders to Orlando on Saturday.

San Antonio's Ivory Lee Brown rushed for 91 yards, giving him a WLAFL-record 767 yards for the season.

Celery 19, Moundfists 16: In Frankfurt, Robbie Keen's 38-yard field goal broke a tie midway through the fourth quarter as Frankfurt snapped a seven-game losing streak. Frankfurt finished the season 3-7, while London fell to 2-7-1.

Thunder 13, Dragons 18: In Orlando, Florida, Tracey Bennett kicked a World League record 53-yard field goal with 14:49 remaining to secure Orlando's victory.

The Thunder, North American East champion, will host a playoff game next week against a yet-to-be determined opponent. Barcelona, the European champion, faces Sacramento.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE		EAST DIVISION	
Toronto	25	17	68
Baltimore	24	14	61
New York	22	19	57
Seattle	20	20	55
Milwaukee	19	23	52
Detroit	14	29	39
WEST DIVISION			
Oakland	22	17	56
Chicago	21	19	54
Minnesota	20	20	53
Texas	19	21	52
California	18	22	51
Seattle	16	24	49
Kansas City	14	27	46

NATIONAL LEAGUE

EAST DIVISION		WEST DIVISION	
Pittsburgh	25	17	68
St. Louis	24	17	67
New York	24	18	66
Philadelphia	20	20	55
Montreal	19	20	54
Chicago	18	22	52
WEST DIVISION			
San Francisco	24	17	67
San Diego	20	20	55
Cincinnati	21	19	54
Houston	18	22	52
Atlanta	16	24	49
Los Angeles	14	27	46

Friday's Line Scores

Team	W	L	Pct.	GB
Oakland	9	8	.524	0
Boston	8	9	.471	1
Seattle	7	10	.412	2
St. Louis	6	11	.353	3
Philadelphia	5	12	.294	4
San Francisco	4	13	.235	5
San Diego	3	14	.176	6
Cincinnati	2	15	.118	7
Houston	1	16	.059	8
Atlanta	0	17	.000	9
Los Angeles	0	18	.000	10

Saturday's Line Scores

Team	W	L	Pct.	GB
Oakland	10	7	.588	0
Boston	9	8	.529	1
Seattle	8	9	.471	2
St. Louis	7	10	.412	3
Philadelphia	6	11	.353	4
San Francisco	5	12	.294	5
San Diego	4	13	.235	6
Cincinnati	3	14	.176	7
Houston	2	15	.118	8
Atlanta	1	16	.059	9
Los Angeles	0	17	.000	10

Japanese Baseball

Team	W	L	Pct.
Yokohama	21	14	.600
Hiroshima	21	14	.600
Hanshin	20	16	.556
Chunichi	19	17	.529
Yomiuri	16	23	.410
Nippon	13	26	.333

WORLD LEAGUE OF AMERICAN FOOTBALL

Team	W	L	T	Pct.
San Antonio	7	3	0	.700
Orlando	6	4	0	.600
Frankfurt	6	4	0	.600
London	3	7	0	.300
Barcelona	2	8	0	.200
Edmonton	1	9	0	.100
San Antonio	0	10	0	.000

WESTERN CONFERENCE

Team	W	L	T	Pct.
San Antonio	7	3	0	.700
Orlando	6	4	0	.600
Frankfurt	6	4	0	.600
London	3	7	0	.300
Barcelona	2	8	0	.200
Edmonton	1	9	0	.100
San Antonio	0	10	0	.000

WORLD LEAGUE OF AMERICAN FOOTBALL

Team	W	L	T	Pct.
San Antonio	7	3	0	.700
Orlando	6	4	0	.600
Frankfurt	6	4	0	.600
London	3	7	0	.300
Barcelona	2	8	0	.200
Edmonton	1	9	0	.100
San Antonio	0	10	0	.000

WORLD LEAGUE OF AMERICAN FOOTBALL

Team	W	L	T	Pct.
San Antonio	7	3	0	.700
Orlando	6	4	0	.600
Frankfurt	6	4	0	.600
London	3	7	0	.300
Barcelona	2	8	0	.200
Edmonton	1	9	0	.100
San Antonio	0	10	0	.000

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MONDAY SPORTS INDY 500

Jazz Battle to Tie Series With Blazers at One All

SALT LAKE CITY—The Utah Jazz defeated the Portland Trail Blazers 121-112 in Game 4 here Sunday to even the best-of-seven series in the National Basketball Association's Western Conference final at two games each.

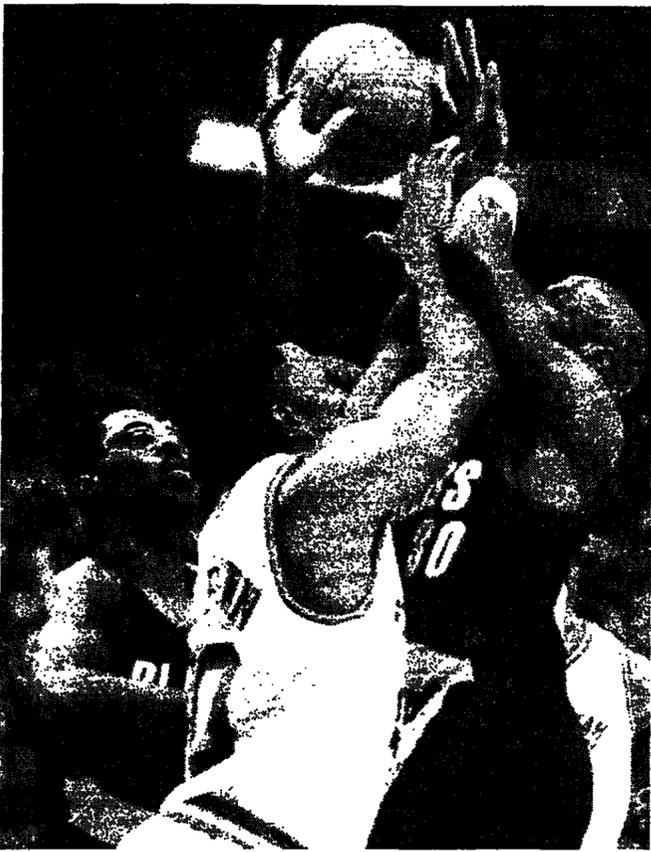
Michael Martinez of the *New York Times* reported earlier. They were home again in Salt Lake City, and that apparently made all the difference to the Utah Jazz.

After being routed twice on the road, the Jazz rose at the Delta Center, overcoming a 10-point deficit to defeat the Portland Trail Blazers, 97-89, in Game 3 of the Western Conference final.

The Blazers still lead the four-of-seven series, two games to one, but the Jazz likely blunted Portland's momentum and gathered some of their own.

They had the best home-court record in the National Basketball Association during the regular season and are unbeaten on their own floor in the postseason. Game 4 of the series was to be played here Sunday.

The Jazz, losing 57-47 two min-



Utah's Mike Brown, center, kept the heat on the Blazers' Terry Porter, who was held to 13 points.

Bulls Strike Early To Shut Down Cavs

By David Aldridge
Washington Post Service

RICHFIELD, Ohio—If you can make sense out of what's happening in the NBA Eastern Conference finals, you're probably a step ahead of the Chicago Bulls and Cleveland Cavaliers.

On Saturday, it was Chicago that jumped on Cleveland in the first quarter, giving the Bulls more than enough cushion in a convincing 105-86 victory and a 2-1 lead in this best-of-seven series.

Chicago's primacy was re-established mainly by Michael Jordan, who led the way with 36 points, 6 rebounds and 9 assists. His biggest contribution came early in the game when he guarded Cleveland's outstanding floor general, Mark Price.

Price is the Cavaliers' catalyst, a triple-threat guard capable of shooting, driving and passing. But Jordan clamped down on him in the first six minutes. John Paxson and B. J. Armstrong then took their turn as well. Price still scored 11 points in the quarter, but he was doing a lot of it by himself. He jumped up with 16 points, but only three assists.

"I did what I could," Jordan said. "B. J. and Pat seemed to get some calls that weren't in their favor. I thought maybe I could go over there and try to help out a little bit, keep the offense going."

But the strategy seemed much more than a happy coincidence. With Price unable to drive, the Bulls strid almost everyone at center. Brian Dawkins, Bill Cartwright was the first line, pushing Daugherty all over the floor, and when Daugherty did catch the ball, Jordan, Scottie Pippen or Horace Grant were quick to provide double-team help.

The result? Cleveland missed 10

of its first 12 shots. Chicago spread the wealth at the other end, shooting 60.9 percent in the period.

Daugherty said that to have Jordan guarding Price had been "really unexpected." He added: "Mark couldn't throw the ball over Michael's head. He was trying to get the ball into me, but I was getting it out where I didn't want it."

Price put it like this, "They came out, and it was like getting hit by a buzzsaw."

The Bulls led 10-2, then 21-4, then 30-9, then 37-18 after one quarter, a complete reversal of fortune from Game 2 on Thursday, when Cleveland led 30-14 at the end of the first.

Chicago stayed ahead by about 20 points for most of the next two quarters. It was 83-63 when Cleveland showed some gumption to end the third and begin the fourth, putting on a 9-1 run that brought the Cavs within 84-72 with 10:03 to go.

But Paxson hit a huge 3-pointer when Cleveland's rookie guard, Terrell Brandon, on the floor for Price, failed to get to the guard in time after a double-team. And though Cleveland got as close as seven in the last two minutes, the Bulls were never in real danger.

"We fed a lot on Michael Jordan's energy," said the Bulls' coach, Phil Jackson, noting that "when he is positive and full of energy like on Saturday, it makes a whole of a difference in our game."

He added, "His positive energy on the floor gave a boost to everybody, and I think Scottie Pippen stepped up right behind him, showed his leadership on the floor."

Craig Ehlo led the Cavaliers with 20 points. Daugherty ended up with 18 points and 10 rebounds. Larry Nance scored 18.

utes into the third quarter on Friday night, went on a 19-6 run to take the lead, getting 9 points from Karl Malone.

The game was tied six times in the second half before the Jazz finally went in front, 75-73, on two free throws by Malone. They extended the lead to 83-75 with six minutes left in the game, on consecutive baskets by Malone, who finished with 39 points, 25 in the second half.

Terry Porter, who scored 41 points in the Blazers' victory in Game 2 on Tuesday, went scoreless in the third period and had just 13 for the night.

Clyde Drexler and Jerome Kersey led Portland with 26 each.

The Jazz must have found some emotional relief being back home. At the Delta Center, they were 37-4 during the regular season, 6-0 in the playoffs and unbeatable in the minds of their opponents.

The Blazers defeated the Jazz by 25 points in Game 1 and by 17 in Game 2. But wouldn't this game be different, now that the venues had switched?

It didn't seem so, especially when the Blazers led at halftime, 51-43. Although there were nine lead changes in the first quarter and four ties, Portland seemed to assert its control at various points.

Still, the Jazz wouldn't wilt, even though at times it looked like they certainly would.

The Blazers took a five-point lead late in the opening period, only to see it wiped out when the Jazz scored the final 2 points of the quarter and the first 5 of the second period to regain the lead.

Later, Portland pushed a lead to 39-31 after a jump shot from the right side by Kevin Duckworth.

Unser Jr. Wins In Tight Finish To Indy 500

INDIANAPOLIS—Al Unser Jr. survived the weather, a series of crashes and a charge at the finish by Scott Goodyear on Sunday and became the first second-generation winner of the Indianapolis 500.

It was the closest finish in Indy 500 history.

Michael Andretti had led 163 laps but coasted to a stop on the backstretch with 10 laps to go, giving the lead to Unser. Goodyear, running a lap over 224 mph (362 kph) on the final lap, could not overtake Unser.

Lyn St. James, the second woman in Indy 500 history, was the only rookie still running and was 11th among the 12 drivers on the track at the finish.

Cold weather caused poor tire traction and was blamed for many of the crashes that eliminated 13 cars, including four former winners. Move that two hours of the race was run under the yellow flag, including two laps in the closing minutes after Andretti went out of the race.

That put Unser in the lead, but Goodyear made a hard charge at the end.

"It's a dream come true," said Unser, son of the four-time winner Al Unser, who finished third on Sunday. "I don't know what to say. It was awesome."

It was running hard those last five laps that the younger Unser said. "I started to get a little bit loose. On the last lap, I lifted a little bit on turn four, and Scott got a run on me like you wouldn't believe."

Danny Sullivan was fourth, followed by Bobby Rahal, Eddie Cheever, Raul Boesel, John Andretti, John Paul Jr., A. J. Foyt, St. James and Dominik Dobson.

Because of the crashes and yellow flags, the race average was 134,479 mph, the slowest for the entire 500 miles since 1958.

With 33 laps to go, Michael Andretti had a 12.5-lap lead over Goodyear. Andretti and Goodyear made a pit stop on the 173rd lap, giving Al Unser the lead. But he had to come into the pits four laps later, and Andretti retook the lead.

Unser Jr. passed Goodyear for second place, then with 10 laps to go, Andretti stalled on the backstretch, bringing out the yellow for a tow. That put Unser Jr. in the lead for good.

Even before the race began, Roberto Guerrero, who set a record by qualifying his Buick Lola at 232,482 mph, banged into the backstretch wall on the second parade lap. He became the first pole-sitter in the 76-year history of the 500 to be forced out before the green flag flew.

"We were warming up the rear tires," Guerrero said. "I gave it a little bit of power and it swapped ends on me. It was the only mistake I made the whole month and it cost me the race."

It was a bitter disappointment for Guerrero, 33, who was pegged the favorite for Indy based on his record-setting laps all month. He had led the charge past the 230 mph barrier, achieving speeds that raised concerns about track safety.

A's Blank Red Sox on Darling's 2-Hitter

By Ron Darling
The Associated Press

Ron Darling pitched a two-hitter for his first shutout since 1988 as the Oakland Athletics beat the Boston Red Sox, 4-0, Sunday for their fifth victory in six games.

Darling, making his first Boston appearance since the 1986 World Series, tossed his first complete game since July 26, 1990, while pitching for the New York Mets. It was the right-hander's 11th career shutout and only his 26th complete game in 265 starts since 1983.

He struck out two and walked two as the Athletics took two of three games from Boston. The A's ended their road trip 6-5 after starting with three straight losses.

The two-hitter was the best effort of Darling's career. He pitched a three-hitter against Cincinnati on

May 8, 1988. His last shutout was on Sept. 22, 1988.

Oakland scored three runs in the first off loser Mike Gardner. With two out, Gardner walked Harold Baines and Mark McGwire. Terry Steinbach singled in a run and after Willie Wilson walked to load the bases, Jerry Browne followed with a two-run single.

Orlans 6, Angels 4: In Baltimore, Brady Anderson and Cal Ripken each homered and drove in two runs as Baltimore ended California's troubled road trip with another defeat.

California lost seven of nine games during the East Coast swing. Manager Buck Rodgers was among 12 people injured Thursday when

the team bus veered off the New Jersey Turnpike into trees.

Anderson led off the fifth inning against Chuck Finley with his sixth homer, and one out later Ripken hit a solo shot to give the Orioles a 4-3 lead. A sixth-inning sacrifice fly by Mark McLemore made it 5-3.

Yankees 8, Brewers 7: New York rallied from a six-run deficit at home to defeat Milwaukee on Matt Nokes' RBI single with one out in the ninth.

Don Mattingly opened the ninth with an opposite-field double to left off Bruce Ruffin. Roberto Kelly was walked and Mel Hall grounded to first, advancing the runners.

Danny Tartabull was walked to load the bases and Nokes followed with the game-winning single over a drawn-in outfield.

AC Milan Completes Perfect Season

ROME (Reuters)—The Italian league champions AC Milan became the first club to complete a 34-match first division program without a defeat when they recorded an 8-2 victory over Foggia on Sunday.

Milan scored seven times in a superb second-half performance to overturn a 2-1 halftime deficit against a team unbeaten in its last eight games. Perugia did not lose a game in the 1978-79 season, but the first division had two fewer clubs then.

AC Milan's Rudi Gutli tied the score at 2-2 with a cross shot in the 47th minute. His Dutch international teammate, Marco van Basten, the league's leading scorer, hit another two goals to take his tally for the season to 25. Fellow striker Marco Simone also scored twice.

Smoltz Strikes Out 15 as the Braves Hand New Manager of Expos a Loss

By John Smoltz
The Associated Press

John Smoltz sizzled to a team record with 15 strikeouts as the Atlanta Braves stopped the Expos, 2-1, in Montreal on Sunday. It was the first loss in three games for the new Montreal manager, Felipe Alou.

Smoltz fanned Gary Carter to end the game for his only strikeout in the ninth inning. He broke the Atlanta mark of 14 set by Denny Lemaster on Aug. 14, 1966, against Philadelphia. Smoltz's previous career high for strikeouts was 11, on June 11, 1990, against San Francisco.

He pitched a six-hitter and walked two in his second complete game.

Greg Olson's broken-bat, two-run single in the first inning provided Smoltz with all the support he needed. Terry Pendleton doubled with one out, David Justice walked with two outs, and Sid Bream was hit by a pitch from Mark Gardner, loading the bases.

Olson followed with flare into left field, just beyond the reach of shortstop Tom Foley.

Reds 3, Phillies 3: In Philadelphia, Hal Morris began a seven-run rally in the seventh inning with a triple and capped the burst with a three-run double, leading Jose Rijo and Cincinnati past Philadelphia.

Rijo allowed two runs on two hits in six innings for his first victory since last Sept. 26. He missed two starts this season when he went on the disabled list with an inflamed elbow. Rijo struck out six.

Cavaliers 4, Astros 3: Tom Pagnozzi homered with one out in the ninth to lift the home team. Pagnozzi's first home run of the season came on a 3-2 pitch from Al Ossa and just cleared the fence in left-center.

Lee Smith, the third St. Louis pitcher, worked a scoreless ninth for his 50th career victory.

Benny Distafano had a career-high four hits for Houston and tied the game at 3 in the eighth with a two-out, RBI single off Todd Worrell.



Frank Thomas of the White Sox cut under Blue Jays' catcher Pat Borders to score from first on George Bell's double in the second.

In games played on Saturday:

Angels 6, Orioles 2: In Baltimore, the Angels won for the first time since the bus crash, with each California player in the starting lineup getting a hit. Mark Langston allowed four hits in seven innings to remain unbeaten since Opening Day.

Lee Stevens and Gary Gaetti homered to help the Angels snap their four-game losing streak.

White Sox 5, Blue Jays 2: Craig Grebeck scored one run and drove in another, and reliever Scott Radinsky worked out of a seventh-inning jam to lead the home team past Toronto.

The Blue Jays committed five errors, including three by third baseman Kelly Gruber, but all of the White Sox runs were earned.

Rangers 4, Royals 2: In Arlington, Texas, Kevin Brown scattered eight hits for his third complete game, and Ivan Rodriguez capped a four-run first inning with a two-run homer. The Rangers have won six of their last seven games.

Indians 5, Mariners 4: Seven Cleveland pitchers combined on a four-hitter in Seattle as the Indians broke a six-game losing streak. Seattle lost for the fourth time in five games, while the Indians won for only the second time in 13 games.

The Indians scored the go-ahead run in the eighth when Albert Belle singled for his third hit and Mark Whiten doubled him to third off Erik Hanson. Facing reliever Russ Swan, Glennell Hill hit a ground ball to second baseman Harold Reynolds, who threw to the plate but failed to get a sliding Belle.

Brewers 5, Yankees 4: Robin Yount hit a solo home run with two outs in the 10th inning in New York to win it for Milwaukee.

Yount's third home run of the season came against Shawn Hillegas and was the fourth homer of the game. Paul Molitor also connected for Milwaukee.

Red Sox 5, Athletics 1: In Boston, Wade Boggs drove in a pair of runs with his third homer in two games and a single, and John Doherty won for the first time since Oct. 1, 1989.

Ellis Burks hit a two-run double as Boston won for the fourth time in five games and stopped Oakland's four-game streak.

Twins 6, Tigers 5: Shane Mack had three hits and scored three runs in Detroit as Minnesota prevailed.

The Twins took a 3-1 lead in the sixth off John Doherty on Chuck Knoblauch's RBI groundout and Kent Hrbek's sacrifice fly.

Krabbe Facing New Ban, Report Says

BONN (AFP)—The International Amateur Athletics Federation is set to ban Katrin Krabbe, the world sprint champion, from competing in the Barcelona Olympics. Der Spiegel reported Sunday.

The magazine said that although last month the German federation had lifted a four-year ban imposed in February, the IAAF's anti-doping committee agreed last week that the evidence supported the allegation that Krabbe and two teammates had tampered with urine samples.

Sunesson Leads British PGA by One

WENTWORTH, England (AP)—Magnus Sunesson of Sweden shot an eight-under-par 64 on Sunday to take a one-stroke lead after the third round of the British PGA tournament.

Sunesson's round was one stroke shy of the course record. He opened the round with four straight birdies, then bogged the ninth, but made five more birdies on the back nine for a three-round total of 204. Gordon Evans Jr. of Scotland was one stroke back after shooting a 68. Gary Evans and Andrew Sbertourne, both of England, were tied at 206.

Viali Deal Put at Up to \$25 Million

ROME (Reuters)—The Genoese soccer club Sampdoria will get four new players plus a cash payment in the record-breaking deal that sends striker Gianluca Viali to Juventus, newspapers reported over the weekend.

The club, defeated by Barcelona in the Champions' Cup final last week, said Viali would play for Juventus next season. It gave no details of the deal, but most newspapers said the total value of the transaction ranged from 25 billion lire to 30 billion lire (\$21 million to \$25 million).

Such figures would easily make Viali the most expensive player in the world, surpassing the \$13 million Juventus paid to Fiorentina for Roberto Baggio.

For the Record

John McEnroe and Andre Agassi have applied for a wild card to play doubles together at the French Open. The two have played as doubles together only once—in San Francisco in February, when they lost in the first round.

Ivica Osim, a Croat, quit as coach of the Yugoslav national soccer team on Saturday, in solidarity with his hometown of Sarajevo, which has been heavily damaged in ethnic fighting. (Reuters)

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Arthur Cravan: Poet, Boxer and Mystery

PARIS—Poet and boxer as he styled himself with rare economy and truth, Arthur Cravan is a familiar footnote in histories of pre-World War I Paris; a colorful character so colorful that the character itself was, as he wished, shaded and obscured.

A hulking heavyweight who could carry four Berlin prostitutes on his shoulders, Cravan was a pre-Dadaist as well as a con man and was wanted for homicide. His

MARY BLUME

death in Mexico — his body was never found — is accepted more from convenience than fact.

He was reportedly gassed as late as the 1930s and was mentioned in John Galsworthy's last novel as well as in Robert Motherwell's "The Dada Painters and Poets." Two biographies are being written, by Maria Luisa Borrás of Barcelona and by Robert Lloyd Conover of Portland, Maine, through which Cravan passed in September 1917, on his way to Canada where he traveled for several weeks disguised as a woman.

Conover has been in touch with Cravan maven in Denmark and Germany and recently learned of a monthly Cravan discussion group in London.

"I think Cravan is someone who attaches himself compulsively to some people's imaginations and seems to haunt these people," Conover said by telephone from Portland.

This month the first Arthur Cravan exhibition ever was held in Paris at the Galerie 1900-2000. "We had more visitors than for my Man Ray, Picabia or Dalí shows," said the gallery's owner, Marcel Fleiss. The show will be seen in an expanded version in July in Barcelona, where it will be held in a boxing ring.

The exhibition included Picabia's sketch of Cravan, Man Ray's photograph of Cravan's wife, the American poet Mina Loy, and copies of Cravan's literary reviews "Maintenant," in which he damned such painters as Malevich, Marie Laurencin and Chagall and praised the rather dreary canvases of one Edouard Archard, who was none other than Cravan himself.

The most familiar item was a poster from Barcelona for the boxing match, on April 23, 1916, between Cravan and the formerly great Jack Johnson. Cravan was knocked out in six rounds but Fleiss supposes that the fight was rigged because Johnson could have dispatched Cravan much sooner. "They both needed money," Fleiss said.

Cravan had been a French amateur titleholder and in Mexico he was a professor of Egyptian art and boxing in a school he founded. "He also challenged local boxers and he and Mina Loy traveled across Mexico to meet with local gloves for small purses after he had been shamed as a professor of boxing by being beaten by local fighters in his own studies," Conover said. In Mexico, Cravan also visited Leon Trotsky whom he had met on a trans-Atlantic steamer.

Who was Arthur Cravan? It seems certain that he was born Fabian Avenarius Lloyd in Lausanne, Switzerland, in 1887. He may have been related to Oscar Wilde's wife and took to referring to himself as Wilde's nephew, pushing familial piety to persuading a New York newspaper into believing that Wilde, who died in 1900, was still alive.

In 1917, at the Blindman's Ball in New York, Cravan met Mina Loy. The following year, pregnant with Cravan's daughter (who lives in Aspen, Colorado), Loy

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The Barcelona poster for the Cravan-Johnson match.

sailed from Mexico, headed for Italy. Cravan, who was to join her, never appeared.

"She thought maybe he had got a passage directly to Egypt and went ahead. He wasn't there," Conover said. "She went to Mexico to try to find out what had happened to him. She must have suspected that he wasn't necessarily dead. She searched hospitals, morgues, police stations, and there never was anything conclusive." Later, it was falsely claimed that Cravan and the equally mysterious writer B. Traven, who lived in Mexico, were the same man.

Conover, art director of the MIT press, became inter-

ested in Cravan when he wrote a biography of Mina Loy. He sees aspects of Cravan in many better-documented artists from Rimbaud to the Sex Pistols and describes him as "the most provocative critical presence of the 20th century."

Asked if this wasn't going a bit far, Conover replied, "Well, I can't think of anyone else like him. He did things that nobody else came close to thinking of like announcing his public suicide in Paris at the Salle des Savants on a given night and saying that for 5 francs 50 anyone could see it. He was an outrageous enough character that people actually believed he would do it. They showed up and paid their money and then he beheaded them for making a public spectacle of death."

To Conover, Cravan was trying to live not one life but several lives simultaneously.

"He was a biographical wonder, interested in pushing the envelope of his identity as far as he could in different directions. Even in his lifetime he did this through changing his names, through inventing writers who didn't exist, painters who didn't exist."

In his incarnation as the painter Edouard Archard, Cravan even won himself a place in the normally reliable Bénézit dictionary, where he is described as having died in World War I. In fact, Cravan was a draft dodger who in Canada walked around in a soldier's uniform. "To dress as a military man when you are escaping the military is a perfect Cravan move," Conover said.

In Conover's view, Cravan deliberately dropped crumbs of truth about himself for future biographers to pick up. It took 70 years to unmask Archard and Conover is still trying to track down a rumor that Cravan forged the Oscar Wilde manuscripts that were sold in 1921 in Dublin and London and another report that Cravan had one glass eye.

Conover calls the book he is writing a speculative biography. "It will have several endings which will tell what became of him in several different ways, giving the reader the choice of options. I think it's more interesting to speculate on the several possible endings than to literally conclude one. His whole life was that sort of persona game and he was constantly transforming his identity, shifting it to other selves. The fact that we don't know what happened to him is more interesting than knowing."

Conover is happy to be dealing with metaphor rather than fact. The MIT press, he says, publishes a lot of contemporary French philosophical and social thought and he is particularly interested in the work of Jacques Lacan. "Cravan's life provides the sort of psychoanalytic study that Lacan was good at — that is, how to get between ambiguities and looking for deeper sources than literally remembered ones or lived ones."

Still, at some point a biographer has to decide between fact and fiction. "If it's a real life you have to, but his was certainly not a real life," Conover replies. "His whole life was in defiance of the factual or chronological identifications we like to make of each other."

"Cravan is the last person to whom you would say at a party, what do you do? In a sense he is the richest possible subject for a biographical study because his life asks fundamental questions about the nature of what it is to be someone, or someone, to have an other and an own self, so that on a philosophical and poetic level it's very interesting because the life splits into several lives. Arthur Cravan, 1887 to ? The question mark will always be there."

Enjoy! Takes On the Good Appetites

By William Safire

WASHINGTON—In Donna Aalee, an authentically Italian restaurant in Washington, an Italian headwaiter took my order, ripped the page off his order book with a flourish, handed it to the Italian waiter, adding a few words in Italian, and said to me cheerfully over his shoulder, "Enjoy!"

That's not Italian. The same concluding good wish was offered on the island of Maui, in Hawaii, by a waitress in a grass skirt (she was from Seattle, by the uniform called for grass skirts). Again, not Aloha or Mahalo, not even the French *Bon appetit*, but *Enjoy!*

I suspect we may be seeing the worldwide spread of an Americanism that one day could rival the ubiquitous *O.K.* The last time an expression born in the New World made an impact in many foreign languages, it was the proliferation of *No problem*. Can we trace the origin and track the spread of *Enjoy!* as a verb without a stated object? *Nyet problem!*

In his 1986 book, "Yiddish and English," Random House lexicographer Sol Steinmetz cites this 1968 quotation of former Jacques Kaplan by Marilyn Beaudry in *The New York Times*: "It's a dancing on the volcano attitude, an enjoy-enjoy philosophy." That duplication is typical of Yiddish — *Es es means "Eat, eat!"* — and the friendly command of *Enjoy!* comes from *Hob anes*, a Yiddish phrase derived from the German *hob*, "have," and the Hebrew *hanes*, "enjoyment."

Curiously, the Yiddish phrase from which *Enjoy!* is derived is not the expression most often used at the dining table by those who speak Yiddish or Hebrew. *Es gesuntheit*, literally "Eat in health," is Yiddish, and *Letanones*, "For appetite," is Hebrew.

If *Enjoy!* is to go global, it will have stiff competition. The French *Bon appetit*, the Spanish *Buen apetito* and the Italian *Buon appetito* each mean "Good appetite," as does the German *Guten Appetit* (though many German waiters will say *Mahlzeit!*, "Mealtime!") — *Priyanovo appetito* — but the Japanese have a variant: *Tokusan meshigatae iwadani*, "Please eat a lot."

Restaurant personnel do travel, however, and the new expression contains a polite imperative, putting the server on a more nearly equal basis with the customer.

Is *Enjoy!* likely to make inroads on the good-appetite translations, or to become standard without an object? "To use *enjoy* without an object is perhaps cute," writes John David Grayson, a linguistics professor at Concordia University in Montreal, "if everyone recognizes the expression as Yingshish and playful. It is a disaster when English-speakers think that such an expression is standard usage."

I dunno. Purists and slobos can agree that the object of the verb *enjoy* in this usage is the unspoken but clearly understood *your meal*. As they set down their plates before us, the members of the waiting game are using the transitive verb, *enjoy*, in a way that grammarians call "absolutely"; that is, the verb takes an object, but the object is implied, not directly stated. (The transitive verb *like* — I like this — may also be used absolutely; the question "You like?" and its response "I like," with no objects stated, are current examples of absolute use that began with the Shakespearean expression *if you like*.)

The earliest example of the absolute use of the transitive verb *enjoy* comes from an essay by English author John Ruskin in "The Eagle's Nest," in 1872: "It is appointed for all men to enjoy, but for few to achieve."

Not such a disaster: the syntactic crowd, which thinks positively, could learn to live with *enjoy* employed absolutely. The burning question in the kitchens of the restaurant world is: Will French traditionalists stand for it? *Certainement*, traditionalists in the Académie Française, where the language is defended against assaults from the barbarians, a furious assertion of *Bon appetit* will be heard. But cool heads will point out that the English verb *enjoy* comes from the Old French *enjoyer*, "to make or give joy," and French waiters who were offering a taste of a 14th-century Bordeaux (great century) might have been comfortable with "Enjoyer."

We will keep an eye on the spread of this expression, and on its competition with the decidedly less-anglophobic *good appetites*. Will the Yiddishism now firmly established as *New Yorkese* and taking root as an Americanism, be contained within these shores? Or will cautious be sent in from the centers of haute cuisine and the humble beneries around the globe?

Because this linguistic prairie fire will be fun to watch, a certain expression comes to mind — but, sorry, you're not my table.

I have been unfair to Rudyard Kipling and the prophet Isaiah. In a recent aside, I stated that novelist James Jones took the title of "From Here to Eternity" from "The Whiffenpoof Song," the ballad sung by poor little lamb-like Yalies from under the table down at Mory's.

That number, I am informed by J.F. Cooper of Poughkeepsie, New York, is based directly on Kipling's "Barrack-Room Ballads": "Gentlemen-rankers out on the spree/Dammed here to Eternity/God ha' mercy on such as we/Ba! Yah! Ba!"

A ranker was an officer risen from the ranks; the Kipling use of slang was changed to *songs* by the collegial bleating herds of 1910.

The Gotcha! Gangster's letter (no, Mr. Cooper, there is no gang T-shirt) was addressed only to "Ba! Yah! Ba!" at the Times bureau; the news clerk, a hip group including Tim Sullivan, who is soon to become a reporter at The Fort Worth Star-Telegram, unerringly delivered it to me.

Now to honor the prophet: In discussing the derivation of *Eat, drink and be merry*, which comes from Ecclesiastes, I also quoted Isaiah as saying, "Let us eat and drink; for tomorrow we shall die."

But I was corrected by Michael Sanders of Monsey, New York. Sanders points out that it was not the prophet who was eating flesh and drinking wine and calling on others to live in it; on the contrary, he was quoting others who would not listen to his warnings.

That's the second time I mistook a quotation of others by Isaiah to be his own view. Years ago, digging for the origin of *holier than thou*, I cited him in my political dictionary as the source of "Stand by thyself, come not near to me, for I am holier than thou" (Isaiah 52-5). But again, he was quoting and criticizing others, in that case pious hypocrites. Isaiah wasn't *holier than thou*, though he was surely holier than poor or me.

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